

Pension Increase 2024

Annual Increase to Pensions in Payment 2024

Most pensioners receive a standard increase on 1 April each year. For the majority of benefits the amount of the increase is calculated by looking at the annual rise in the Retail Prices Index (RPI) in the 12 months to December. In line with the Scheme's rules, the minimum increase that could be applied is 3% and the maximum is 5%.

This year, the annual rise in the RPI to December 2023 is 5.2% so the increase that will apply to most pensions in payment on 1 April 2024 is 5%.

If you opted for the Pension Increase Exchange (PIE) offer, you chose to surrender some or all of your future pension increases in exchange for a higher immediate pension. There is no minimum increase if you chose PIE, instead, your increase is calculated using the actual rate of inflation capped at 2.5% or 5%. Details of how this works can be found below.

Some pensions are increased differently, depending on the section of the Scheme to which the member belonged:

- Pension for members who joined after 5 April 2000 receives an increase of 5%.
- Pension earned after 5 April 2006 receives an increase of 3%.
- Guaranteed Minimum Pension (GMP) earned between 6 April 1978 and 5 April 1988 is increased by the State and paid as part of the State Pension, not by the Scheme.
- GMP earned between 6 April 1988 and 5 April 1997 is increased for most members by 3% - the annual increase in the Consumer Price Index (CPI) to September 2023, capped at 3%.
- GMP earned between 6 April 1988 and 5 April 1997 is increased for members of certain categories identified in the 2012 review of the Scheme's rules by 3% - this is the annual increase in the RPI to September 2023, capped at 3%.
- Pension earned by previous members of the Electricity Supply Pension Scheme (ESPS) will receive 5%.
- Pension earned before 6 April 1997 under the Pension Increase Exchange (PIE) option will not receive an increase.
- Pension earned between 6 April 1997 and 5 April 2006 under the PIE option will receive an increase of 4% – CPI 12 months to December 2023.
- Pension earned after 5 April 2006 under PIE option will receive an increase of 2.5% - CPI 12 months to December 2023, capped at 2.5%.

Some sub-sections of the scheme have further guarantees that were agreed at the time the former schemes were merged with the Scheme. In accordance with the rules, these members will have the appropriate increase applied.