

University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

Factsheet 6 – Pension Increases

Once in payment, your pension will increase each year to provide protection against the effects of inflation. This factsheet sets out details of how your pension will increase.

HOW WILL MY PENSION INCREASE?

After it comes into payment your pension will increase each year on 1 April. The increase applied depends on when your benefits were built up as described below:

For benefits earned after 1 January 2019

- Your pension will increase on 1 April each year in line with the annual increase in the Consumer Price Index (CPI), subject to a maximum annual increase of 3%.

For benefits earned between 1 August 2011 and 31 December 2018

- Your pension will increase on 1 April each year in line with the annual increase in the CPI, subject to a maximum annual increase of 5%.

For benefits earned before 1 August 2011

- Your pension, excluding any Guaranteed Minimum Pension will increase on 1 April each year in line with the annual increase in the Retail Prices Index (RPI).
- Your total pension earned before 1 August 2011 is subject to an overall minimum increase of 3% a year.

A part year increase will be applied in the first year that your pension comes into payment.

Guaranteed Minimum Pension (GMP)

GMP is divided into two parts, pre '88 GMP and post '88 GMP.

- Pre '88 GMP refers to your GMP and your spouse's GMP earned during your membership of the Scheme to 5 April 1988.
- Post '88 GMP refers to your GMP and your spouse's GMP earned during your membership of the Scheme from 6 April 1988 to 5 April 1997.

After you retire, the Scheme must provide a statutory minimum increase on the post '88 GMP. This statutory minimum increase each year is 3% or the rise in the CPI if less.

Your Pre '88 GMP does not receive increases from the Scheme.

For members who reach SPA before 5 April 2016 and have drawn their State Pension, the State is also responsible for providing the following increases on the GMP:

- if the rise in the CPI is more than 3% in a year, the State provides the balance of any inflationary increase (as measured by the CPI) above 3% on the post '88 GMP;
- full inflationary increases (as measured by the CPI) on the pre '88 GMP.

The increases provided by the State form part of your State Pension. For members who reach SPA after 6 April 2016, or first draw their State pension after 6 April, the State no longer provides any additional increases in payment on the GMP. The Scheme will continue to provide the statutory increases in payment amounting to CPI up to a maximum of 3% p.a. on the Post '88 GMP.

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

If you have paid AVCs and purchased an additional pension, the increase applied will be decided when you buy the pension. You can choose whether to have a pension that increases at a flat rate or one which increases in line with CPI or even one with no increases. The type of pension you choose will be reflected in the price and you may wish to consult an Independent Financial Advisor before you make a decision.

WILL MY DEPENDANT'S PENSION INCREASE AFTER I DIE?

If you die, the pension payable to your dependants will increase in the same way as your own pension would increase.

For further details on the death benefits paid under the UASLAS please see [Factsheet 9 – Death Benefits](#).

IMPORTANT NOTE

This factsheet provides a summary of your pension increases. However, your legal rights are governed by the Trust Deed and Rules of UASLAS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet.

A copy of the Rules can be obtained from the Pensions Office.