

## **Pensions Increase 2010**

The Government have announced that public sector pensions will not be increased in 2010.

Public Sector Pensions are normally increased with effect from the first Monday of each new tax year in line with the annual rise in the Retail Price Index to the previous September.

However, in the year to September, 2009, there was actually a fall in the Retail Price Index of around 1.4%. Rather than reduce pensions by 1.4%, Government has simply decided that the pensions should remain at their current level with neither an increase nor a decrease.

The decision not to reduce pensions means in effect that pensioners are getting a 1.4% increase in real terms.

Pensions Section  
24<sup>th</sup> March, 2010