

Freedom of Information request 1709/2013

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Information request

How will increases be calculated on contracted out pensions after a person reaches state pension age and retires after they reach state pension age after 5 April 2016. What basis will be used. I am referring to final salary schemes (DB). The reason I ask this question is that it is the responsibility of the DWP to pay all or part of the increases on contracted out pensions in payment.

As a person's state second pension entitlement can form part of the new flat rate pension of £144 will it have triple lock on it. If it does then I would expect a person who has exactly the same contracted out pension to receive the same rate of increase. If this is not the case I would like an explanation as to why not and a note of where I can find more information about the subject of cost of living increases on contracted out pensions in payment after the new flat rate scheme starts.

DWP response

The ending of contracting-out is integral to the introduction of the new flat-rate State Pension. Once contracting-out ends, there will be no facility to increase contracted-out pensions through the State Second Pension (Additional Pension) because it will no longer exist.

We explained in our last response that contracted-out pension schemes will continue to increase their pensions in line with the current rules.