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 August. The increase applied depends on when your benefits were built up as described below:

- **For benefits earned before 1 January 2013**
  Your pension in respect of service before 1 January 2013 will increase on 1 August each year in line with the annual increase in the Retail Prices Index (RPI), subject to a maximum annual increase of 12%. If the annual RPI increase is greater than 12% in any given year the University and CU Pension Trustee Limited (CUPTL) may agree to provide a higher increase. However, increases above 12% are not guaranteed.

- **For benefits earned from 1 January 2013**
  Your pension will increase on 1 August each year in line with the annual increase in the RPI, subject to a maximum annual increase of 5%. If the annual RPI increase is greater than 5% in any given year the University may agree to provide a higher increase. However, increases above 5% are paid at the discretion of University and are not guaranteed.

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

**Calculation of the annual increase**
The increase applied at 1 August each year is based on the increase in the RPI over the 12 month period to the end of the previous May. The May to May increase is used because it takes time for the Government to calculate and publish the monthly inflation figures.

By using the May figures, we can be confident that the information will be available in good time to ensure that the increases can be applied on 1 August each year.

**AVCs**

If you have paid added years AVCs, the increases applied to your AVC pension will be the same as the increases that apply to the pension you earned before 1 January 2013.

If you have paid cash AVCs and you use some of your AVC fund to purchase a pension within CPS then your AVC pension will increase in the same way as the pension you earned before 1 January 2013.

**WILL MY PENSION INCREASE AFTER I DIE?**

If you die, the pension payable to your spouse and any child’s allowance will increase in the same way as described above.

For further details on the death benefits paid under the CRB section please see Factsheet 9 – Death Benefits.

**IMPORTANT NOTE**

This factsheet provides a summary of how your pension will increase in payment. However, your legal rights are governed by the Trust Deed and Rules of CUACPS. 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 found using the following link:

http://www.pensions.admin.cam.ac.uk/cps/scheme-guides-archive-library

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