



Henry

Henry is 68 and has been drawing his APS pension since 2001. He reached age 65 in 2016 and the Guaranteed Minimum Pension (GMP) came into effect at that time.

As Henry's pension was in payment before December 2013, he is entitled to the full, one-off lump sum of 4.6% of his pension at 31 March 2019, the catch-up Discretionary Increase (DI) of 1.7% and the 2019 DI of 0.7% on the elements of his pension that usually receive yearly increases in line with the Government's Pensions Increase (Review) Orders. As Henry did not reach his GMP age until 2016, he is also due some backdated DIs on the part of his pension relating to his GMP before it came into effect, between 2013 and 2016.

Henry's 2019 Discretionary Increase payments are worked out as follows:

Pension adjustment:

Original pension at 8 April 2019		2019 DI	New pension from 8 April 2019
Pre'88 GMP:	£2,403.00	0%	£2,403.00
Post'88 GMP:	£ 653.10	0%	£ 653.10
APS increasing pension:	£6,284.12	1.7% then 0.7%	£6,461.57*
Total pension:	£9,340.22		£9,517.67*

*The DIs added to Henry's increasing pension at 31 March 2019 provide a new increasing pension from 8 April 2019 of £6,435.68 and a total pension of £9,491.78 a year. The backdated DIs due on the equivalent GMP elements of his pension before his GMP came into effect (i.e. between 2013 and 2016) provide a further increase of £25.89 a year.

Pension payment arrears: £114.96

Arrears of pension due for the period 8 April 2019 to 30 November 2019: $(£9,517.67 - £9,340.22) \times 7$ months and 23 days.

Lump sum payment: £385.84

Henry's increasing pension as at 31 March 2019 was £6,136.84. His lump sum payment is worked out as $£6,136.84 \times \text{APS DI lump sum award (4.6\%)} = £282.29$ plus a further lump sum in respect of his pension before the GMP came into effect in 2016 of £103.55.

Henry's total pension payment in December 2019 (before any tax deductions): £1,293.94

December pension payment: $(£9,517.67 / 12) = £793.14$ plus £114.96 plus £385.84.