

FINANCIAL PROJECTIONS OF PENSION COSTS 2001/02 TO 2010/11

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
	£m									
Pensions in payment and gratuities	250.8	269.0	288.3	309.0	332.5	360.7	389.3	417.1	448.3	483.9
Dependants	22.3	23.6	24.9	26.6	28.5	30.6	32.8	35.2	38.2	41.3
Sub-total - pensions in payment	273.1	292.6	313.2	335.6	361	391.3	422.1	452.3	486.5	525.2
<i>Year on year increase</i>		7.1%	7.0%	7.2%	7.6%	8.4%	7.9%	7.2%	7.6%	8.0%
Commuted pensions	58.4	60.4	62.5	64.7	87.6	105.9	85.6	90.4	112.7	125.7
<i>Year on year increase</i>		3.4%	3.5%	3.5%	35.4%	20.9%	-19.2%	5.6%	24.7%	11.5%
TOTAL	331.5	353	375.7	400.3	448.6	497.2	507.7	542.7	599.2	650.9
<i>Year on year increase</i>		6.5%	6.4%	6.5%	12.1%	10.8%	2.1%	6.9%	10.4%	8.6%

Notes

1. Pensions in payment are automatically uplifted by the RPI each year. This is assumed to be 2.5% pa from 2002/03 onwards.
2. Police pay is assumed to increase by 3.0% in 2001/02 and 3.5% pa thereafter.
3. Medical retirements are assumed to be 33% of total retirements each year.