How are XFSPS pensions increased?

This Factsheet provides information about the increase to Xerox Final Salary Pension Scheme (XFSPS) pensions which will take effect from 1 April 2023.

This information is based on what is set out in the XFSPS Trust Deed and Rules as amended from time to time (Trust Deed and Rules). While care has been taken to provide accurate information in this factsheet, the Trust Deed and Rules will take precedence if there are any inconsistencies.

XFSPS pensions in payment are increased each year to help offset increases in the cost of living.

The annual pension increases apply not only to pensions which start to be paid at Normal Benefit Age, but also to early retirement pensions and widows’, widowers’, civil partners’ and other dependants’ pensions from the XFSPS.

Subject to the comments in the section of this document entitled “How is my pension increase worked out?”, XFSPS pension increases are currently calculated as follows:

- The part of the pension earned for Pensionable Service before 1st April 2006 is guaranteed to be increased each year in line with the increase in the Retail Prices Index (RPI) over the previous year (to 31st December), up to a maximum of 5% a year.
- The part of the pension earned for Pensionable Service on or after 1st April 2006 is guaranteed to be increased each year in line with the increase in the RPI over the previous year (to 31st December), up to a maximum of 2.5% a year.

The Trustee can, however, decide to grant a discretionary higher increase after consulting the Scheme Actuary and Xerox Limited.

Who to contact about your pension

Queries about your XFSPS pension should be referred to Buck’s administration team. For example, the Buck team can answer questions about the amount or calculation of your pension, or how it increases each year.

To change your address or bank account details or in the case of the death of a XFSPS pension scheme member, you should also contact the Buck team by email, phone or in writing.

Contacting the Buck administration team

Email: xeroxpensions@buck.com
Telephone: 0330 123 9576
Post: Buck (Bristol)
PO Box 319
Mitcheldean
GL14 9BF

You also have access to the XFSPS Pension Portal which can be used to view your pension benefits online, to see historic payslips, p60s and to update your personal information.

Buck’s main pensions payroll centre is in Reading – however, you will only need to contact the Reading office if you have either a tax query or if you have not received your pension payslip.

Contacting the Buck payroll centre in Reading

Email: readingpensionpayroll@buck.com
Telephone: 0118 955 7799

If you have any questions about this factsheet or your pension increase please contact Buck’s administration team as detailed above.
I gave up part of my pension when I retired for a tax-free cash sum – do I still get increases on that part of my pension?

If you retired after April 2006
If you retired after April 2006, the increases awarded by the XFSPS will apply to the actual amount of XFSPS pension you receive, excluding any pension exchanged for a cash sum at retirement.

If you retired before April 2006
If you retired before April 2006, it all depends on which set of tax rules you are covered by. There were three different sets of rules applied by what was then the Inland Revenue (now re-named HM Revenue & Customs). Which set of rules you are covered by normally depends on when you joined the Scheme:

- The “old rules” – these apply to members who joined a Xerox Pension Scheme before 17th March 1987.
- The “new rules” – these apply to those who joined on or after 1st June 1989†.

For members in both of these categories, the annual XFSPS pension increase applies to the total amount of your XFSPS pension, including any pension which you exchanged for a cash sum.

For members in this third category, the annual XFSPS pension increase applies to the actual amount of XFSPS pension you are receiving, excluding any pension you exchanged for a cash sum.

† If you first joined a Xerox Pension Scheme before 1st June 1989, you may have elected, when you retired from Xerox, to switch to the “new rules” – i.e. as though you had first joined a Xerox Pension Scheme on or after 1st June 1989.

How much is this year’s pension increase?

Having considered a variety of relevant factors, and consulted the Scheme Actuary and Xerox Limited, the Trustee has decided to grant a discretionary increase meaning that the total increase will be 6.5%. This increase will apply from 1 April 2023.

The decision to grant a discretionary increase is for the increase applied on 1 April 2023 only and does not commit the Trustee to make a similar decision in future years. The Trustee will consider future increases year by year depending on the circumstances at the relevant time.

Subject to the comments in the section entitled “How is my pension increase worked out?”, the increase payable on XFSPS pensions in payment from 1st April 2023 for those who retired on or before 1st April 2022 will be:

- 6.5% for the part of the pension earned for Pensionable Service before 1st April 2006.
- 6.5% for the part of the pension earned for Pensionable Service on or after 1st April 2006.

If you retired from active employment with Xerox after 1st April 2022, you will receive a proportion of the full annual increase.

How is my pension increase worked out?

If on 1st April 2023 you are below the age for starting to receive the Guaranteed Minimum Pension (GMP) (GMP Age - 60 for women, 65 for men), this year’s XFSPS pension increase will apply to your full pension, including any GMP to which you are entitled.

However, if you are above GMP Age on 1st April 2023, the increase will apply only to that part of your pension above the GMP. In other words, you will find that the pension increase set out above does not apply to the full amount of your XFSPS pension.

The GMP element of the pension will be increased from GMP payment age as set out in pensions legislation.

Guaranteed Minimum Pension (GMP)
The GMP is the minimum amount of pension which the XFSPS Scheme undertakes to pay you for any Pensionable Service which you completed in the Scheme between April 1978 and April 1997.