

STATUTORY INSTRUMENTS

2026 No. 256

PENSIONS

The Pensions Increase (Review) Order 2026

<i>Made</i>	- - - -	<i>9th March 2026</i>
<i>Laid before Parliament</i>		<i>11th March 2026</i>
<i>Coming into force</i>	- -	<i>6th April 2026</i>

The Secretary of State for Work and Pensions has, by virtue of section 151 of the Social Security Administration Act 1992(1), given a direction(2) that the sums mentioned in section 150(1)(c) of that Act are to be increased by a specified percentage.

The Treasury make this Order in exercise of the powers conferred by sections 59(1), (2), (5) and (5ZA) of the Social Security Pensions Act 1975(3) and now vested in them(4).

Citation, commencement and extent

1.—(1) This Order may be cited as the Pensions Increase (Review) Order 2026 and comes into force on 6th April 2026.

(2) This Order extends to England and Wales, Scotland and Northern Ireland.

Interpretation

2.—(1) In this Order, “the Act” means the Social Security Pensions Act 1975.

(1) [1992 c. 5](#); Section 151 was amended by paragraph 29 of Schedule 8 to the Pension Schemes Act [1993 \(c. 48\)](#), section 130(2) of the Pensions Act [1995 \(c. 26\)](#), paragraph 22 of Schedule 11 to the Pensions Act [2004 \(c. 19\)](#), section 2(3) of the Pensions Act [2011 \(c. 19\)](#) and paragraph 20 of Schedule 12 to the Pensions Act [2014 \(c. 19\)](#).

(2) [S.I. 2026/148](#).

(3) [1975 c. 60](#). Section 59(1) was amended by section 1(7) of the Pensions (Miscellaneous Provisions) Act [1990 \(c. 7\)](#) and by the Social Security (Consequential Provisions) Act [1992 \(c. 6\)](#), Schedule 2, paragraph 34. Section 59(5) was amended by section 11(1) of the Social Security Act [1979 \(c. 18\)](#) and the Social Security Act [1985 \(c. 53\)](#), Schedule 5, paragraph 33. Section 59 was also amended by the Social Security Act 1979, section 11 and Schedule 3, paragraph 20; section 9(8) of the Social Security Act [1986 \(c. 50\)](#) (which inserted subsection (5A)); section 5 of the Pensions (Miscellaneous Provisions) Act 1990 and the Pensions Schemes Act [1993 \(c. 48\)](#), section 190 and Schedule 8, paragraph 9(1). Section 59 was modified by section 59A of the same Act, which was inserted by section 11(4) of the Social Security Act 1979, amended by the Social Security Act 1986, section 9(9), and further amended by the Pensions Schemes Act 1993, section 190 and Schedule 8, paragraph 9(2). Section 59(5ZA) was inserted by section 5(1) of the Pensions (Miscellaneous Provisions) Act 1990 and amended by section 137 and Part 6 of Schedule 11 to the Pensions Act [2008 \(c. 30\)](#), [S.I. 2014/3229](#) and [S.I. 2014/560](#). Subsections 59(5ZA), (5ZB), (5ZC) and (7) were amended by [S.I. 2014/560](#) and [S.I. 2014/3229](#). Subsections 59(5ZB) and (7) were amended by [S.I. 2014/3168](#). Subsections 59(5ZC) and (7) were amended by [S.I. 2020/1143](#).

(4) By virtue of article 2(1)(c) and (d) of [S.I. 1981/1670](#).

(2) In this Order, any reference to a pension is a reference to a pension which began before 6th April 2026⁽⁵⁾.

Pension increase: annual rate and lump sums

3.—(1) This article applies to an official pension if—

- (a) a qualifying condition is satisfied; or
- (b) the pension is—
 - (i) a derivative pension;
 - (ii) a substituted pension; or
 - (iii) a relevant injury pension.

(2) In relation to any period on or after 6th April 2026, the pension authority may increase the annual rate⁽⁶⁾ of the pension—

- (a) for a pension which began before 7th April 2025, by 3.8 per cent;
- (b) for a pension which began on or after 7th April 2025, by 3.8 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months in the period between the beginning date⁽⁷⁾ of the pension and 6th April 2026.

(3) In relation to a lump sum⁽⁸⁾ which is payable on or after 7th April 2025 but before 6th April 2026, the pension authority may increase the lump sum by 3.8 per cent multiplied by—

$$\frac{A}{12}$$

where A is the number of complete months⁽⁹⁾ in the period between the beginning date of the lump sum (or, if later, 7th April 2025) and the date on which it becomes payable.

Reductions in respect of guaranteed minimum pensions

4.—(1) Where—

- (a) a person is entitled to an increase in a guaranteed minimum pension on 6th April 2026; and
- (b) entitlement to that guaranteed minimum pension arises from an employment from which (either directly, or indirectly by virtue of the payment of a transfer credit) entitlement to the official pension also arises,

(5) By virtue of section 59(7) of the Social Security Pensions Act 1975, sections 59 and 59A of that Act have effect as if they were contained in Part 1 of the Pensions (Increase) Act 1971 (c. 56). Consequently, for the purposes of section 11 of the Interpretation Act 1978 (c. 30) the following expressions used in this Order have the meaning which they bear in section 59 of the Social Security Pensions Act 1975 and the Pensions (Increase) Act 1971: “beginning date”, “derivative pension”, “employment”, “guaranteed minimum pension”, “official pension”, “pension authority”, “qualifying condition”, “relevant injury pension”, “substituted pension” and “transfer credit”. Section 8(2) of the Pensions (Increase) Act 1971 also makes provision about when a pension begins for the purposes of that Act.

(6) Section 59(5) of the Social Security Pensions Act 1975 provides that increases in the rate of a pension are to be calculated by reference to the basic rate of the pension as authorised to be increased by section 1 of the Pensions (Increase) Act 1971 or by an order under section 2 of that Act or section 59 of the Social Security Pensions Act 1975.

(7) Section 8(2) of the Pensions (Increase) Act 1971 sets out the day on which a pension is deemed to begin for this purpose.

(8) By virtue of section 59(7) of the Social Security Pensions Act 1975, “lump sum” includes an instalment of a lump sum.

(9) By virtue of section 59(8) of the Social Security Pensions Act 1975, where it is necessary to calculate the number of complete months in any period, an incomplete month shall be treated as a complete month if it consists of at least 16 days.

the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced by an amount equal to the rate of the guaranteed minimum pension unless the Treasury otherwise direct in accordance with the provision of section 59A of the Act⁽¹⁰⁾.

(2) Where on the death of a spouse or civil partner a person becomes entitled to a guaranteed minimum pension in relation to a surviving spouse's pension or a surviving civil partner's pension, the amount by reference to which any increase is calculated for the purposes of article 3(2) must be reduced in accordance with section 59(5ZA) of the Act.

9th March 2026

Taiwo Owatemi
Gen Kitchen
Two of the Lords Commissioners of His
Majesty's Treasury

⁽¹⁰⁾ The power of direction is vested in the Treasury by [S.I. 1981/1670](#). Section 59A was inserted by section 11(4) of the Social Security Act 1979 and amended by section 9(9) of the Social Security Act 1986 ([c. 50](#)) and paragraph 9 of Schedule 8 to the Pensions Scheme Act 1993.

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EXPLANATORY NOTE

(This note is not part of the Order)

Under section 59 of the Social Security and Pensions Act 1975 (c. 60) (increase of official pensions) where the Secretary of State for Work and Pensions, under section 151(1) of the Social Security Administration Act 1992 (c. 5), directs that the sums in section 150(1)(c) of the 1992 Act are to be increased by a specified percentage, the Treasury must make an order to increase the rates in public service pensions. The Pensions (Increase) Act 1971 (c. 56) defines certain terms, sets out when a pension “begins” and how the increase applies to lump sums.

The increase to be applied is the same as the percentage by which the Secretary of State for Work and Pensions has, by direction under the Social Security Administration Act 1992, increased the additional pension entitlements accruing to employees in respect of earnings for service after 5th April 1978.

For pensions which began before 7th April 2025 the increase is 3.8 per cent. For pensions which began on or after the 7th April 2025 the increases (following the calculation set out in article 3) are as follows—

<i>Pensions beginning</i>	<i>Pensions increase</i>
07th April 2025 to 21st April 2025	3.8%
22nd April 2025 to 21st May 2025	3.48%
22nd May 2025 to 21st June 2025	3.17%
22nd June 2025 to 21st July 2025	2.85%
22nd July 2025 to 21st August 2025	2.53%
22nd August 2025 to 21st September 2025	2.22%
22nd September 2025 to 21st October 2025	1.9%
22nd October 2025 to 21st November 2025	1.58%
22nd November 2025 to 21st December 2025	1.27%
22nd December 2025 to 21st January 2026	0.95%
22nd January 2026 to 21st February 2026	0.63%
22nd February 2026 to 21st March 2026	0.32%

Article 3(3) of the Order provides for increases on certain deferred lump sums which become payable on or after 7th April 2025 and before 6th April 2026.

Article 4 of the Order sets out reductions to pension increases where a person is entitled to a guaranteed minimum pension deriving from an employment giving rise to the official pension. Where that is the case, the amount by reference to which any increase in the person’s pension is to be calculated is to be reduced by an amount equal to the rate of the guaranteed minimum pension entitlement, unless the Treasury otherwise direct.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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