

Enhanced Pensions Provisions 2009/10

The existing spreadsheet tables for calculating enhanced pensions have been updated for 2009/10 to take account of the following:

- The current interest rates
- The impact of the Government announcement on 22 June 2010 that public sector pensions should use CPI rather than RPI to calculate the increase in future pensions
- Expanded data entry to allow for up to 300 lines
- Print macro settings to suppress blank lines in the input and output screens

Before continuing the user should first ensure that their Excel settings will enable the macro contained within the spreadsheet to operate.

Excel 97-2003 users please go to:

Tools / Options / Security / Macro Security (this last button should be in the bottom right of the window) and set the level of security to “Medium” or “Low”. Unless you do this the package will not run. Once this has been done, Excel will remember this setting for future use – unless the user changes the setting back to the setting recommended by Microsoft.

For Excel 2007 users please use the following steps:

1. Click the **Microsoft Office Button**, and then click **Excel Options**.
2. Click **Trust Center**, click **Trust Center Settings**, and then click **Macro Settings**.
3. The following options are available:
 - **Disable all macros without notification** Click this option if you don't trust macros. All macros in documents and security alerts about macros are disabled. If there are documents with unsigned macros that you do trust, you can put those documents into a trusted location. Documents in trusted locations are allowed to run without being checked by the Trust Center security system.
 - **Disable all macros with notification** This is the default setting. Click this option if you want macros to be disabled, but you want to get security alerts if there are macros present. This way, you can choose when to enable those macros on a case by case basis.
 - **Disable all macros except digitally signed macros** This setting is the same as the **Disable all macros with notification** option, except that if the macro is digitally signed by a trusted publisher, the macro can run if you have already trusted the publisher. If you have not trusted the publisher, you are notified. That way, you can choose to enable those signed macros or trust the publisher. All unsigned macros are disabled without notification.
 - **Enable all macros (not recommended, potentially dangerous code can run)** Click this option to allow all macros to run. This setting makes your computer vulnerable to potentially malicious code therefore colleges should only select this option at their own risk.

Where macros have been disabled a warning message will appear below the main ribbon (“Security Warning – Some active content has been disabled”) with an Options button to enable the specific macro in this spreadsheet.

In certain instances on saving the completed spreadsheet users may encounter error messages around naming formats (“_int1 is not compatible” for example). These are usually a function of using different versions of Excel and can be accepted (“OK”) to clear them.

The number of available lines for data entry has been increased to over 300 at the request of users. A necessary consequence of this is the need to therefore suppress blank lines before printing and a Print Macro has been included (the button marked “Set Print Area”) which does this automatically and takes the user to the Print Preview screen. Please note that its effectiveness is governed by the enabling of macros as outlined above.

CPI vs RPI

At the current time, CPI is less than RPI and as such the use of that index will reduce the present value of the defined benefit pension obligation. The use of the revised index should not be presumed as on occasion, pension scheme rules are written to specify the index to be used and this will override any direction from the Government. Typically the increases in enhanced pensions match the original scheme rules so colleges should confirm that the change is acceptable within their own schemes and hence the enhanced pensions before making any changes.

The tables for calculating the enhanced pensions provision has been updated on the assumption that CPI can be applied, but RPI versions have been retained for those colleges that require them.