

**H M Treasury**  
Rob Molan  
Second Treasury Officer of  
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**DAO (GEN) 13/02**

20 May 2002

Dear Accounting Officer

**SALARY AND PENSION DISCLOSURES - INFLATION RATE TO BE USED  
IN CALCULATING THE REAL INCREASE IN PENSION ENTITLEMENTS  
– 2001-02**

*Purpose of this DAO letter*

1. This letter draws attention to Pension Circular (PC/184) issued by the Cabinet Office on 22 March 2002 which notes that the inflation adjustment to be used in carrying out the calculations to support the disclosure of information on pay and pensions in accounts for the year to 31 March 2002 should be 1.7 per cent. A copy of PC/184 is attached.
2. Equivalent figures for earlier years were:
  - 1998-1999: 2.1 per cent (see addendum to PC/107: 3 April 2000)
  - 1999-2000: 3.2 per cent (see addendum to PC/107: 3 April 2000)
  - 2000-2001: 3.3 per cent (see PC/156: 19 April 2001)

*Action and enquiries*

3. The content of this letter should be drawn to the attention of staff involved in the preparation of the annual accounts.
4. Enquiries relating to the Pension Circular itself should be addressed to the contacts noted in the Circular.
5. Enquiries relating to the requirement to disclose information about salary and pension entitlements should be addressed to Nick Bailey in the Central Accountancy Team (phone 020 7270 4535 : email [nick.bailey@hm-treasury.gov.uk](mailto:nick.bailey@hm-treasury.gov.uk)).



*Scope of the DAO letter*

6. This letter applies to government departments, supply-financed executive agencies, trading funds and NDPBs.

*Other points*

7. Although DAO letters drawing attention to Pension Circulars issued by the Cabinet Office have been issued in the past, we do not intend to do so in future. If it appears that Pension Circulars are not being distributed to the appropriate staff within the organisation, staff should ensure that they receive Pension Circulars directly from the Cabinet Office.

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**Second Treasury Officer of Accounts**

