J&J PENSIONERS NETWORK · OCTOBER 2026

Pensions erosion: one-page summary

How each part of a J&J UK Group Retirement Plan pension has lost value since January 2014, and what April 2027 brings.

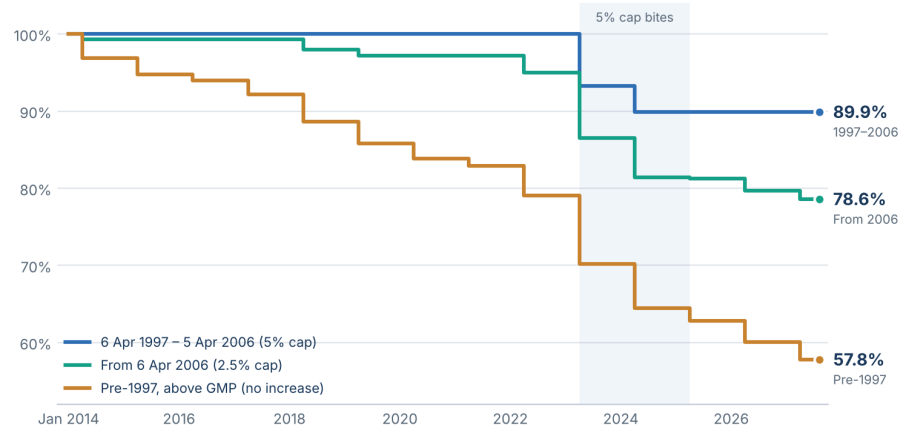
Three parts, three different outcomes

Most pensions are made up of parts earned in different periods, and each part is increased differently. The more of a career that falls before April 1997, the harder the member is hit.

Part of pension	How it is increased	Buying power after April 2027, vs January 2014
Pre-1997, above the Guaranteed Minimum Pension (GMP)	No guaranteed increase. Only the employers can grant one; none since January 2014	**57.8%** (down 42.2%)
6 April 1997 to 5 April 2006	RPI each April, capped at 5%	**89.9%** (down 10.1%)
From 6 April 2006	RPI each April, capped at 2.5%	**78.6%** (down 21.4%)

What each part of a pension buys, compared with January 2014

Value after each April increase, adjusted for RPI inflation. Last point: the increase due on 1 April 2027.



Source: ONS RPI (series CZBH), September readings 2013–2026, which set the April 2014–2027 increases. Calculations by the J&J Pensioners Network.

What 19.1% really meant

The last increase on pre-1997 pension above the GMP, in January 2014, was 19.1%: a catch-up for inflation from December 2006 to May 2013, set at 90% of CPI rather than the RPI used for the 2002, 2004 and 2007 increases, and capped at £1,000 a year.

Pre-1997 pension above GMP	Increase received
Up to £5,236 a year	19.1%
£10,000 a year	10.0%
£20,000 a year	5.0%

The longest-serving members received the smallest share. Inflation since May 2013 has never been covered.

Since 2014: the caps bite

Post-1997 pension is protected only up to its cap. The 2.5% cap has held increases below inflation in **nine of the fourteen years** from April 2014 to April 2027. The 5% cap bit in 2023 and 2024, when RPI reached 12.6% and 8.9%. Those losses are permanent.

April 2027

The 1997–2006 part rises by 3.9% (September 2026 RPI) and the later part by the 2.5% cap. Within the pre-1997 part, only GMP earned from April 1988 rises (by 3%). Unless the employers decide otherwise, the rest gets nothing again: **£10,000 of pre-1997 pension above the GMP will buy what £5,780 bought in January 2014.**

The Plan reports a **£484 million surplus** (31 March 2025, 133% funded). We believe the erosion of members' pensions should be put right **before** any surplus is paid to the employers.

Sources: ONS RPI, 12-month change (series CZBH), September readings 2013–2026, which set the April 2014–2027 increases; Plan letter to pensioners, November 2015 (19.1% special increase, £1,000 cap); Mercer actuarial report as at 31 March 2025 (the surplus figure makes no allowance for any adjustment arising from the Virgin Media litigation, Verity Trustees v Wood). Calculations by the Association. Figures are illustrations, not any individual member's entitlement, and are not financial advice.

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