

**POLICE PENSION SCHEME
1/2014**

WHO SHOULD READ: Chief Constable of Police Scotland
ACTION: For information and action. Please draw this to the attention of pension managers, superannuation sections and scheme members.
SUBJECT: Increases in members' contribution rates effective from 1 April 2014

- The purpose of this circular is to confirm that increases to members' contributions will be effective from 1 April 2014 as set out in the recent consultation and shown in the tables below. This concerns contributions made under the Police Pension Regulations 1987 (PPS) and the New Police Pension Regulations (Scotland) 2007 (NPPS).

In a statement to Parliament on 5 November 2013, the Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney MSP, announced the Scottish Government's decision to implement the third annual increment of UK Government proposed employee contribution increases for the Teachers', NHS, Police and Firefighters' schemes in Scotland.

This circular confirms that Scottish Ministers have decided that member's contribution rates from 1 April 2014 will be implemented as set out in the consultation document. The rates set out below were issued for consultation for the period 27 January to 14 February 2014. Regulations to implement these increases were laid in the Scottish Parliament on 3 March and subject to Parliamentary approval, the contribution rates will become effective from 1 April 2014 as set out in the table below. The rates continue to be based on the member's full-time equivalent salary.

Police Pension Scheme (1987)

Wholetime Pensionable pay band	Current rate(%)	Contribution rate increase from 2014/15 (%)	Contribution Rate 2014/15 (%)
£27,000 and under	12.2%	0.3%	12.5%
£27,001- £60,000	13.5%	0.75%	14.25%
Over £60,000	14%	1.05%	15.05%



New Police Pension Scheme (2006)

Wholetime Pensionable pay Band	Current rate (%)	Contribution rate increase from 2014/15(%)	Contribution Rate 2014/15 (%)
£27,000 and under	10.7%	0.3%	11%
£27,001- £60,000	11.5%	0.55%	12.05%
Over £60,000	12%	0.75%	12.75%

To help members understand what this will mean for them, a [PPS contributions calculator](#) and [NPPS contributions calculator](#) are available on the SPPA website (use this link or go to the Police page of the SPPA website and click on Calculators). This will show members how their monthly contributions will be affected after tax.

The changes to contribution rates will be effective for service from 1 April 2014.

The employer contribution rate is not affected by these changes. Employer contributions are determined by scheme valuations. The Public Service Pensions Act 2013 sets out via HM Treasury Directions how and when those regulations should be undertaken. In addition the Act also requires an employer cost cap to be set and measured as part of that process.

A valuation based on data as at March 2012 is currently being undertaken based on the above requirements which will set both the employer contribution rate from April 2015 and the employer cost cap. It is expected that the Police 2012 valuation will be finalised during the summer after which the employer contribution rates from 1 April 2015 will be announced.

Please bring the information contained in this circular to the attention of the relevant staff to ensure that the necessary arrangements are in place for the correct contributions to be deducted from members as appropriate when the regulations come into force on 1 April 2014.

In accordance with the Occupational Pension Scheme (Disclosure of Information) Regulations 1996, please ensure that all members who are affected by this change are notified individually in writing.

Claire McGow
Policy Manager
4 March 2014

Contact Information: Should you have any enquiries about this circular, or require further information, please contact: Claire.McGow@scotland.gsi.gov.uk

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