



## SCOTTISH PUBLIC PENSIONS AGENCY

7 Tweedside Park  
Tweedbank  
Galashiels TD1 3TE

Telephone: 01896 893223  
Fax: 01896 893230  
James.preston@scotland.gsi.gov.uk

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Dear Sir or Madam

### **POLICE PENSIONS CIRCULAR No 2003/2**

This circular advises on:

- 1) the new provisions for maternity leave;
- 2) the position on adoption leave, maternity support leave and adoption support leave;
- 3) buyback of careers breaks; and
- 4) Home Office procedures on ex gratia compensation on late paid lump sums.

**This Circular should be brought to the immediate attention of the administrators of the Police Pension Scheme and payroll officers.**

#### **Maternity Leave and Additional Maternity Leave**

2. The PNB agreed on 16 April 2003 (see PNB Circular 03/1) to increase the period of maternity leave which counts as pensionable service that is reckonable from 18 weeks to 26 weeks. The Police Pensions Regulations will be amended to reflect this. In the meantime, administrators should apply this change in anticipation of the amended regulations, backdated to cover women whose expected week of confinement begins on or after 6 April 2003.

3. Under the Police Pensions Regulations pensionable service is normally reckonable only if contributions are made in respect of it. However, the law requires an officer's membership of the Police Pension Scheme to continue during the period of ordinary maternity leave (i.e. the first 26 weeks) as if she is still serving, whether or not she is being paid. Similar legal requirements do not apply to the period of additional maternity leave beyond the first 26 weeks. There is no statutory right to additional maternity leave counting as reckonable service, although it counts as qualifying service and is therefore not to be regarded as a break in continuity of pensionable service.

4. SPPA Police Circulars 2000/2, 2000/3 and 2000/4 explained how to purchase periods of unpaid maternity leave. Officers pay an amount equal to the employee contributions which would

have been paid, had the officer continued to be paid at the same rate of pay received immediately before they went on to no pay.

5. Any period of maternity leave outside the first 26 weeks can be bought back. For example, if maternity leave was taken 13 weeks before the birth until 12 months after, the first 26 weeks is reckonable for pension purposes and the period between week 13 and week 52 can be bought back and made reckonable for pension purposes. If maternity leave was taken immediately after the birth for one year, then the first 26 weeks is reckonable for pension purposes and the period between week 26 and week 52 can be bought back and made reckonable for pension purposes.

6. It is noted that PNB Circular 03/1 also referred to the pensionable status of the period beginning with the week in which the child is born and ending 29 weeks after that week which is spent on maternity leave in the case of officers with 26 weeks service at the 14<sup>th</sup> week before the expected week of confinement. This is to confirm that under the Police Pensions Regulations this period is reckonable for pension purposes only on payment of the relevant pension contributions by the officer as outlined in paragraphs 4 and 5 above.

### **Adoption Leave, Maternity Support Leave and Adoption Support Leave**

7. The provisions in the PNB Agreement apply to police officers whose expected week of confinement (or, in the case of maternity support leave only, the actual week of confinement if the child arrives late) begins on or after 6 April 2003 and officers who have been notified of being matched with a child for adoption on or after 6 April 2003 or where a child has been placed with them for adoption on or after this date.

8. The Police Pensions Regulations will not need to be amended as all paid leave, including statutory pay, is reckonable for pension purposes by virtue of the contributions deducted at the time.

#### Adoption leave

9. All officers are entitled to 1 week adoption leave on full pay and this week is reckonable for pension purposes in all cases by virtue of contributions deducted at the time.

10. Officers who have completed 26 weeks' service by the end of the notification week and who have been notified of being matched with a child or where a child has been placed with them for adoption, are also entitled to take 26 weeks' ordinary adoption leave at statutory adoption pay rate. This 26 weeks' adoption leave is therefore reckonable for pension purposes by virtue of contributions deducted at the time, thereby taking the entitlement to 27 weeks' pensionable adoption leave. The additional period of 26 weeks' **unpaid** adoption leave available to these officers is not reckonable for pension purposes and cannot currently be bought back. Consideration is being given to whether there should be provision for officers to buy back this period of unpaid leave and administrators will be updated on any decision.

#### Maternity support leave

11. Officers are entitled to 2 weeks maternity support leave. The first week will be on full pay and is reckonable for pension purposes in all cases by virtue of contributions deducted at the time.

12. Officers who have 26 weeks continuous service at the 14<sup>th</sup> week before the expected week of confinement will be entitled to be paid for the second week at statutory paternity pay rate. Any period which is paid, either full-pay or statutory pay is also reckonable on the same basis as in the paragraph above.

13. Officers who have less than 26 weeks' continuous service at the 14<sup>th</sup> week before the expected week of confinement are entitled to a 2<sup>nd</sup> week of unpaid maternity support leave. This period of unpaid leave is not reckonable for pension purposes. Again, consideration is being given to whether there should be provision for officers to buy back this period of unpaid leave and administrators will be updated on any decision.

#### Adoption support leave

14. As with maternity support leave, all officers are entitled to 2 weeks adoption support leave. The first week of this adoption support leave will be on full pay and is reckonable for pension purposes in all cases by virtue of contributions deducted at the time.

15. Officers who have 26 weeks' continuous service at the 14<sup>th</sup> week before the expected week of confinement will be entitled to be paid for the second week at statutory paternity pay rate. Any period which is paid, either full-pay or statutory pay is also reckonable on the same basis as in the paragraph above.

16. Officers who have less than 26 weeks' continuous service at the 14<sup>th</sup> week before the expected week of confinement are entitled to a 2<sup>nd</sup> week of unpaid adoption support leave. This week is therefore not reckonable for pension purposes and cannot currently be bought back. Once again, consideration is being given to whether there should be provision for officers to buy back this period of unpaid leave and administrators will be updated on any decision.

#### Buyback of Career Breaks

17. At the PNB meeting of 19 October 2000 agreement was reached on the introduction of a career break scheme for the police service (PNB Circular 00/16, Police Division Circular:Police Circular 2/2001). At the time the Scottish Executive and Home Office reserved its position with regard to serving officers being allowed to buy back at employee contribution rate the pension rights lost during time spent on a career break.

#### Buy-back of service

18. It has not been able to approve this element of the PNB agreement on career breaks either in Scotland or by the Home Office for England and Wales. It remains open to an officer to make good any shortfall in pension benefits caused by a career break by serving on to complete 30 years' reckonable service. In cases where an officer will be unable to secure maximum pension rights by completing 30 years' service prior to compulsory retirement, he or she has the ability to purchase added 60ths or make additional voluntary contributions (AVCs) to make up any shortfall in their service period.

#### Pensionable status during career break

19. An officer remains a member of the force whilst on career break and therefore remains part of the Police Pension Scheme, unless he or she has made an election to opt out of the Police Pension Scheme. The period spent on career break should therefore be treated as qualifying (**but not reckonable**) service. As a result, the member remains subject to the scheme's death-in-service and enhanced medical retirement provisions. They also continue to be covered by the injury benefit provisions where applicable.

20. In the event of a pension becoming payable in respect of an officer on a career break, the average pensionable pay to be applied would be that at the time immediately before the career break, with pension increase applied as appropriate. If an amendment to the current definition in the Police

Pensions Regulations of average pensionable pay is necessary to give effect to this policy, it will be backdated to when the PNB Agreement took effect.

21. Consideration will also have to be given to whether active-member benefits (instead of deferred benefits) are dependent on the officer not having joined another pension scheme in the interim. Administrators will be alerted to any policy developments in this area.

#### Late Payment of Lump Sums

22. It has come to the attention of the Home Office that there are currently variations across forces in the way that late payments of lump sums for retiring Officers are handled. Although there have been no reported problems with the payment of lump sums in Scotland it may be of interest to you to be aware of the procedure recommended by the Home Office to introduce more consistency in this area. The Home Office procedure, after consulting several forces, is based on current Local Government Pension Scheme practice adapted to reflect the fact that police pension lump sums are not paid automatically but only where a person elects to commute part of his or her pension for that purpose.

23. Interest, calculated on a daily basis at 1% above base bank rate, will be payable upon a lump sum payment being delayed in excess of 30 calendar days, whatever the reason for the delay. This 30 days will commence on either the date of the officer's retirement or the day when his or her notice of commutation is received by the police authority, whichever is the later. This interest will be paid whether or not the officer makes a complaint to the force concerned and will be backdated to either the day of retirement or the day the commutation request was received, whichever was the later date. Payment of interest in these circumstances is on a no-fault basis and is to make good the interest lost to the officer by not receiving the lump sum earlier. The question of any need for compensation is a separate matter.

24. Issues surrounding the payment of compensation for late lump sums should still be dealt with by forces on a case-by-case basis.

25. Minor amendment to SPPA Circular 2003/1

Paragraph 2, second sentence, please replace Regulation K4 by Regulation K2.

Yours faithfully



Jim Preston  
Policy Manager