

**POLICE PENSION SCHEME
2010/3**

- WHO SHOULD READ:** **The Chief Executives, Fife Council and Dumfries & Galloway Council
Chief Constables
Clerks to the Joint Boards**
- ACTION:** **Please draw this circular to the attention of Pension Managers and Superannuation Sections. You may also wish to draw it to the attention of the Directors of Finance and Administration.**
- SUBJECT:** **The Police Pensions Amendment (Scotland) Regulations 2010**

The purpose of this circular is to:

- **Advise on the making of the Police Pensions Amendment (Scotland) Regulations 2010**

The Police Pensions Amendment (Scotland) Regulations 2010

SPPA previously consulted on proposed changes to the Police Pension Regulations 1987 on 31 January 2009. This is to confirm that final amendments to the regulations come into force from 1 April 2010 and in particular confirm that the amendment being made to Regulation B1 re the 2004 Police Negotiating Board (PNB) chief officer retirements has effect for the period from 1 April 2004 to 30 September 2006. The period of notice reduced to 3 months from 1 October and this is already provided for in the Police Pension Regulations (SSI2008/387).

It was decided that the proposed changes to regulations A15, A16, A20, Schedule H and changes to the Police (Injury Benefits) (Scotland) Regulations 2007 would be removed from this amendment and be considered further. In addition an amendment to Regulation B7 regarding the restrictions on lump sums was discussed and agreed with the PNB post consultation and was therefore included in the final SSI. (See regulation 6 below).

A copy of the SSI can be obtained from the following link [The Police Pensions Amendment \(Scotland\) Regulations 2010 No. 85](#)

A brief summary of the changes is provided below

Regulation 2 confirms the amendment necessary to regulation B1 to recognise the right

for a chief officer to retire at age 50 giving 6 months notice. It was necessary to recognise this right in the Police Pension Scheme (PPS) Regulations as part of the agreement reached with Her Majesty's Revenue and Customs (HMRC) regarding Protected Pension Ages (PPAs). SPPA previously wrote to chief officers and other key stakeholders on 8 March confirming the final agreed details of the guidance on PPAs.

Regulation 4 amends regulation A17 to bring it in line with regulation 17 of the New Police Pension Scheme (NPPS) Regulations and omits the need for written consent to be provided.

Regulation 5 deletes a reference to an injury award in payment being able to block the payment of a deferred pension as the reference in Schedule 1 of the Police (Injury Benefit) (Scotland) Regulations 2007 is incorrect.

Regulation 6 amends the restrictions applied to the amount of lump sum that can be taken on retirement where an officer retires with less than 30 years pensionable service. The PPS provides that where an officer retires either with 30 years service or at their normal retirement age they can commute up to a quarter of their pension into a lump sum. The amount payable is determined by the relevant age related actuarial factors. Where an officer retires before their normal retirement age with under 30 years service (an officer can retire from age 50 with a minimum of 25 years service) the lump sum is restricted to no more than two and a quarter times the pension. The amendment makes it possible for a police authority to allow officers to qualify for a lump sum based on a quarter of their pension rather than the limited two and a quarter times their pension if, and only if, the officer is retiring one day short of 30 years service. This provision would allow an officer who has a PPA of age 50 to retire before that age on completion of the necessary service and receive their pension and unrestricted lump sum from age 50.

Regulation 7 amends regulation B8 to update the provisions relating to the commutation of small pensions and to bring them in line with regulation 38 of the NPPS Regulations.

Regulations 8, 9, 10 and 11 update the tax references in regulation B11. Introduces an element of discretion into payments of lump-sum death grants to the estate of a deceased officer in order to make them more tax efficient under regulation E3A(4) and brings the provision in line with regulation 46(4)(d) of the NPPS Regulations. The reference to relevant allowances in regulation E8 is updated. Regulation E9 is amended to bring this in line with regulation 50(2) of the NPPS Regulations.

Regulation 12 updates the statutory reference in regulation F3.

Regulation 13 removes the reference to not allowing a free-standing AVC to be transferred-in. This prohibition is no longer appropriate as these pensions are classed as personal pensions.

Regulation 14 amends regulation F8 to delete the reference to written consent in regulation A17.

Regulation 15 amends regulation F10 to remove the reference to disciplinary proceedings as a reason for stopping a transfer out.

Regulation 16 amends regulation G4 (5) and deletes the proviso that an officer cannot opt out twice. This enables a person who would otherwise be prevented from making a late transfer to the NPPS to do so.

Regulation 17 and 18 repeal regulation J1(6)(a) and paragraph 9(4) of Part I of Schedule J since regulation B8 as amended now refers to the requirements of the Contracting-out Regulations.

Regulation 20 replaces all references to the Government Actuary with references to the Scheme actuary, in line with the NPPS Regulations.

Regulations 23 and 24 amend the 2007 NPPS Regs in regulation 5(b) to omit the reference to written consent from the chief officer of the force and regulation 74(10) to bring the charging regime in line with what had been agreed when Health Management Ltd. were awarded the contract.

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31 March 2010

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