

POLICE PENSION SCHEME**07/2015**

WHO SHOULD READ: The Chief Constable of Police Scotland
Administration staff

ACTION: Information on administering injury benefits

SUBJECT: Injury Benefits for members of the 2015 Scheme

The purpose of this circular is to:

- Advise of proposed changes to the Police (Injury Benefit) Regulations (Scotland) 2006
- These changes should have immediate effect in advance of the regulations being amended

This circular gives notice of proposed changes to be made to the Police (Injury Benefit) Regulations 2006 (Injury Benefit Regulations) to ensure that the injury benefit scheme continues to work effectively for officers who join the new police scheme established by the Police Pensions Regulations (Scotland) 2015 (the 2015 scheme). The changes will be made by amending regulations. While the amending regulations won't be made until a later date, the changes will have retrospective effect from 1 April 2015. Essentially, the 2015 scheme will match the interaction that the 1987 and 2006 schemes already have with the Injury Benefit scheme. This circular has immediate effect in advance of the amending regulations being made.

The Injury Benefit Regulations will be amended to provide for calculation of injury benefits by reference to the 2015 police pension scheme for 2015 scheme members. Some minor corrections to the provisions relating to the 1987 and 2006 police pension schemes will also be made. The Injury Benefit Regulations will also be amended to provide for the reduction of the amount of injury pension if a pension is also payable under the 2015 scheme.

Pensionable pay and average pensionable pay

The amending regulations will provide an equivalent to regulation 4 for members of the 2015 scheme: they will provide separately for transition members and members with only 2015 service as required. The amendments will ensure that pensionable pay for a 2015 scheme member is worked out by reference to pensionable earnings under the 2015 scheme. The annual value of pensionable pay is the annual rate of pensionable earnings under the 2015 scheme at the relevant time.

Amendments will provide for average pensionable pay to be worked out by reference to



final pay as defined in regulation 149 of the 2015 regulations. In working out average pensionable pay for the purpose of an award payable to a member, any part-time service will be treated as full-time service.

For a transition member with continuity of service between the 1987 or 2006 scheme and the 2015 scheme, the continuous period of pensionable service will include service under both schemes. When applying the definition of final pay, all or part of the relevant earnings year may fall when the person was an active member of the 1987 or 2006 scheme. In this case, the earnings derived from service in that scheme are taken to be earnings derived from 2015 scheme service.

In working out average pensionable pay for the purpose of calculating survivor awards payable in respect of a 2015 scheme member with part time service, the proportion of pensionable service v calendar years of eligible service (not counting career breaks or any other period of unpaid leave) is to be applied to the amount of pensionable earnings for the relevant earnings year.

For the purposes of the Injury Benefit Regulations, a period of pensionable service under the 2015 scheme comprises:

- (a) pensionable service as defined in section 37 of the Public Service Pensions Act 2013 (this does not include career breaks or periods of unpaid leave); plus
- (b) any period of eligible service under the 2015 scheme in respect of which the member was opted out of the 2015 scheme, but not including career breaks or periods of unpaid leave.

This means that the pensionable service in any scheme year for a part-time officer is the relevant proportion of the year.

The amendment regulations will ensure that references to the return of aggregate pension contributions will refer to the provisions for return of aggregate pension contributions under the 2015 scheme. Aggregate pension contributions under the 2015 scheme include payments for added pension made by the member. For a transition member with continuity of service, amendments will provide that aggregate pension contributions under the 2015 scheme include contributions under the 1987 or 2006 scheme.

The amendments will provide what “disabled” and “permanently disabled” mean in respect of a 2015 scheme member for whom medical questions are determined under the 2015 scheme. Essentially, if found to be “permanently medically unfit” under the 2015 scheme, they will be permanently disabled for the injury benefit scheme.

For the purposes of calculating survivor awards, where there is a reference to an ill-health pension payable under the 1987 and 2006 schemes, the amendments will add a reference to the ill-health pension payable to a member who meets the upper-tier threshold under the 2015 scheme. The total amount of such an ill-health pension is the annual rate of lower-tier



ill-health pension plus the annual rate of enhanced upper-tier ill-health pension.

Regulation 22, which deals with abatement, will also provide for the deduction of the following gratuities paid under the 2015 regulations: lump sum death grant (regulation 145), and death gratuities under regulations 155 and 156.

Regulation 26 will be amended so that it applies to a retired officer who dies while receiving a retirement pension under the 2015 scheme. References to lump sums in the 2015 scheme will be added.

In regulation 27 there will be provision for references to survivor pensions under the 2015 scheme

Regulation 28(1) will contain provision so that it also applies to a 2015 member receiving a retirement pension under the 2015 scheme. The aggregate amount of children's pensions in regulation 28(2) will include an eligible child's pension under the 2015 scheme.

In regulation 30 will provide separately for a 2015 scheme member. There will be equivalent provisions for a 2015 scheme member referring to appeals provisions under the 2015 scheme.

Regulation 37 will provide that if a lower-tier ill-health pension is cancelled under the 2015 regulations, then the injury pension will be cancelled. Similarly, if a full retirement pension which came into payment early on grounds of permanent medical unfitness is cancelled under the 2015 regulations, then the injury pension will be cancelled.

Schedule 3 will provide that the gratuity and pension under regulation 11 are calculated (for a member in part-time 2015 service) taking account of the proportion of pensionable service v calendar years of eligible service (not counting career breaks or any other period of unpaid leave). For the purpose of the Injury Benefits Regulations, pensionable service under the 2015 scheme includes eligible service in respect of which the member has opted out but does not include career breaks or periods of unpaid leave.

There will be separate provision for transition members, for whom the total periods of service will include periods of service in the 1987 or 2006 scheme.

Paragraphs 5 and 6 of Schedule 3 will be amended to also refer to an election to opt-out under the 2015 scheme.

Paragraph 6 will provide that an injury pension will be reduced by $\frac{3}{4}$ of a 2015 scheme retirement pension and appropriate references to the commutation provisions under the 2015 scheme will be added.

There will also be some minor corrections to the Injury Benefit Regulations which will have no substantive effect. The Glossary (Schedule 1) will be updated as required.



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