

## Police Pension Schemes Comparison Table

Provision	2015 Scheme	1987 & 2006 Schemes
<b>Governance</b>	<p>A Scheme Advisory Board to advise Scottish Ministers on changes. A police pension board is established to assist the scheme manager.</p> <p>Greater role for the Pensions Regulator.</p>	Nothing specified
<b>Membership</b>	All current members of previous schemes to join the new scheme unless they are eligible for full protection or tapered protection. Eligibility is based on age and/or service. Tapered protection members will transfer to 2015 Scheme at the end of the tapered protection period.	1987 Scheme members were given the choice to move to the 2006 scheme.
<b>Basis of pension</b>	Career average revalued earnings (CARE). Based on 1/55.3 of the member's pensionable earnings for each year, plus revaluation adjustment. There is no maximum length of service or limit on benefits.	<p>1987 Scheme - Final salary. Based on 1/60 of member's earnings for first 20 years and 2/60 for each year of service after 20 years, for a maximum of 30 years</p> <p>2006 Scheme Based on 1/70 for each year of service to a maximum of 35 years</p>
<b>Eligibility for membership</b>	Subject to medical clearance, open to all new police officers and tapered protection members and transferees from other public service pension schemes (club transfers).	<p>The 1987 scheme is closed to new members.</p> <p>2006 scheme - Currently, subject to medical clearance, open to all new police officers; post 1/4/15 will be open to the final salary component of tapered protection members and individuals transferring from other public service pension schemes (club transfers)</p>
<b>Normal retirement age</b>	60. Member can retire from 55 with actuarial reduction.	<p>For 1987 Scheme on accruing 30 years' service, or from 50 with a minimum 25 years' service. Other pension ages are set by the members rank.</p> <p>2006 Scheme – age 55</p>

<b>Deferred pension age</b>	State pension age if member opts out before age 55.	1987 age 60 2006 Scheme: 65 if member opts out before age 55
<b>Retirement lump sum</b>	Only by commutation, at £12 lump for each £1 of pension sacrificed.	1987 scheme - only by commutation of up to ¼ of annual pension (at around £20 lump sum for each £1 of pension sacrificed, exact rates depend upon age at retirement). Lump sum is restricted to no more than 2¼ times the member's pension if retiring with less than 30 years' service or before the rank's normal retirement age.  2006 scheme - 4 x initial annual pension
<b>Ill Health Retirement Benefits</b>	Not possible once member reaches 60. Lower tier = 1/55.3 CARE for each year of service. Upper tier for 5+ years' service = half of prospective service to age 60.	1987 scheme - single tier of 1/60 of final pensionable pay for each year of service plus enhancements after 5 years (which can do as much as double pensionable service) up to a maximum pension of 40/60 of pensionable pay. 2007 scheme Two tiers. Upper tier paid where member not capable of regular work. Lump sums paid with both awards  Not possible to claim once member reaches 55.  Lower tier = 1/70 of final pensionable pay for each year of service (no enhancements).  Upper tier for 5+ years' service enhancement = half of prospective service to age 55.
<b>Average contribution rate</b>	13.7% of pensionable earnings: (may be on a tiered basis subject to level of earnings).	1987 Scheme: Currently 14.25% to 15.05% 2006 scheme: Currently 11.0% to 12.75%
<b>Death benefits</b>	Pension payable to spouse or partner, for life. Lump sum death grant = 3 x final pay.	1987 scheme - Pension payable to spouse or civil partner but subject to withdrawal on remarriage or co-habitation. Lump sum death grant = 2 x pay, only payable to spouse or civil partner.  2006 scheme - Pension payable to spouse or partner for life. Lump sum

		death grant = 3 x pay which can be nominated to anyone
<b>Purchasing additional benefits</b>	Added pension: Limited to £6,500 per annum (limit may be altered by HMT). Additional voluntary contributions no longer available	1987 scheme - Additional 60ths + Additional Voluntary Contribution (AVC) scheme (now closed to new business) 2006 scheme - Added years only (no AVC Scheme).