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Police Pension Scheme Stakeholders

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12 October 2017

Dear Colleagues

## **Draft regulations - The Police Pension Scheme (Scotland) Amendment Regulations 2017**

### **Content**

1. The purpose of this letter is to seek the views of police stakeholders on an additional draft amendment to the Police Pension Scheme (Scotland) Regulations 2015 (“the 2015 scheme”), which will be included in the draft Scottish Statutory Instrument (SSI) recently consulted on.

The further amendment covers the following area:

### **Payment of lump sum death grant**

2. Regulation 145 of the Police Pension Scheme (Scotland) Regulations 2015 provides that a lump sum death grant is payable in the event of a member’s death. Regulation 146 sets out the persons who may be paid a lump sum death grant. The drafting of the latter provision directs that in the first instance the scheme manager “must” pay a lump sum death grant to any surviving spouse or surviving civil partner, subject to certain conditions. This phrasing has potential tax implications which could result in liability for inheritance tax. In line with recommendations made in respect of a similar issue in the Scottish Teachers Pension Scheme 2015, Regulation 16 of the revised draft SSI now includes an amendment to regulation 146(1) of the 2015 scheme, effective from 1 April 2015. By making this amendment, the Death Grant may be treated as a discretionary payment and so not subject to Inheritance Tax. This would provide for the equal treatment of death grants in both the Final Salary and CARE schemes, in line with the original policy intent.

This is a minor amendment with no detriment to scheme members, and the consultation period will therefore be shortened to facilitate the legislative process.

For these reasons, only the Scottish Police Pension Scheme Advisory Board, which represents all scheme members, is being consulted.

## **Consultation**

3. Comments are invited on Regulation 16 of the revised SSI.

You can respond to this consultation by completing the Consultation Response Form attached at Annex A which can be submitted electronically to [policepensionsreform@gov.scot](mailto:policepensionsreform@gov.scot), or by post to the following address:

Police Pensions Consultation  
SPPA Policy  
7 Tweedside Park  
Tweedbank  
Galashiels  
TD1 3TE

**As this is a minor amendment with no anticipated impact on scheme members, we seek a short consultation period, and ask that anyone wishing to respond does so by Thursday 26 October.**

A copy of the consultation documentation is also available on the SPPA website at: [http://www.sppa.gov.uk/index.php?option=com\\_content&view=article&id=937&Itemid=257](http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=937&Itemid=257)

4. We intend to publish a summary of consultation responses as soon as possible after the consultation closes. We would like to be able to include any response you make in that summary. However, if you ask us not to publish your response to this consultation, we will regard it as confidential.

5. Respondents should also be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and will have to respond appropriately to any relevant request made to the SPPA under that Act for information concerning this consultation exercise.

Yours faithfully

Iain Coltman  
Senior Policy Manager  
Scottish Public Pensions Agency

## ANNEX A

### CONSULTATION RESPONSE FORM - POLICE PENSION SCHEME CONSULTATION ON DRAFT REGULATIONS –The Police Pension Scheme (Scotland) Amendment Regulations 2017.

#### 1. Name/Organisation

Organisation Name

Title

Surname

Forename

#### 2. Postal Address

Postcode

Phone

Email

**3. Permissions - I am responding as...** (please complete either sections (a), (b) and (d) or sections (c) and (d):

**Individual**

or

**Group/Organisation**

**(a)** Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

*Please state yes or no:* \_\_\_\_\_

**(b)** Where confidentiality is not requested, we will make your responses available to the public on the following basis

*Please state yes to one of the following:*

Yes, make my response, name and address all available .....

or

Yes, make my response available, but not my name and address .....

or

Yes, make my response and name available, but not my address .....

**(c)** The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

*Please state yes or no:* .....

**(d)** We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

*Please state yes or no:* .....

## ABOUT YOU

I am responding ...

- as a member of the 1987 scheme (old scheme)
- as a member of the 2006 scheme (new scheme)
- as a member of the 2015 scheme (CARE scheme)
- on behalf of an Employer Organisation
- on behalf of a Trade Union/Staff Association
- other (please specify)

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What is your gender?

- I am female
- I am male

I am employed as...

- a police officer
- I'm retired
- other (please specify)

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What is your working pattern?

- I work part-time
- I work full- time
- Not applicable

## CONSULTATION QUESTIONS

### **Comment on Regulation 16:**

Please e-mail your response to: [policepensionsreform@gov.scot](mailto:policepensionsreform@gov.scot)  
Or post your response to:

Police Pension Scheme Consultation  
SPPA Policy  
7 Tweedside Park  
Tweedbank  
Galashiels  
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The closing date for this consultation is Thursday 26 October 2017.