

Police Pension Schemes

2022/02

Who should read:	<ul style="list-style-type: none">• Chief Constable of Police Scotland• Pensions Administrators• Current scheme members
Action:	For information and action
Subject:	Changes to Commutation provision in the Police Pension Scheme 1987 (“the 1987 scheme”)
Date:	21 February 2022 [updated 22 February 2022]

The purpose of this circular is to provide notice that The Police Pensions (Amendment) (Scotland) Regulations 2022 come into force on 1 April 2022.

Consultation

1. To comply with the requirements of the Police Pensions Act 1976 and the Public Service Pensions Act 2013, draft regulations were circulated for consultation between 24 December 2021 and 1 February 2022. The consultation documentation and summary of responses are available on the [SPPA website](#).

Commutation Factors

2. Regulations B7(7A) and (7B) of the 1987 scheme provide an underpin so that the higher of either the England and Wales scheme or Scottish Scheme actuarial factors are used for lump sum calculations. The underpin was due to end on 31 March 2022. These amendments extend the commutation factor underpin indefinitely. There is no change to the factors that currently apply under regulation B7.

Commutation Cap

3. These amendments remove the restriction in Regulation B7(4)(b) that applies to officers who retire with entitlement to an ordinary pension after they reach age 50, with at least 25 years’ but less than 30 years’ service, and who are aged below their relevant voluntary retirement age [as set out in regulation A4 of the 1987 scheme regulations]. Voluntary retirement ages are set at age 55 for constables and sergeants, and 60 for superintendents and inspectors, or 65 in other cases. Under the existing provisions, upon retirement this cohort of officers could only commute up to a maximum of 2.25 times their annual pension. These amendments remove this limit entirely, allowing all officers who are entitled to an ordinary pension to commute up to the maximum 25% of their pension.

4. This change commences from 1 April 2022 and will not apply retrospectively, meaning lump sum entitlement before that date will be payable under the existing rules.

Any questions?

Please contact Mhairi.Kinnaird@gov.scot if you have any enquiries about this circular. If you have any queries relating to the administration of the scheme, please contact the Customer Services team via e-mail at sppapolicpensions@gov.scot.

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21 February 2022