

# Scottish Police Pension Scheme Advisory Board

---

## MINUTES

**Date:** 19 March 2024

**Location:** MS Teams

**Chair:** Iain Coltman (IC) (SPPA)

**Attendees :** David Kennedy (DK) (Scottish Police Federation)  
Stewart Carle (SC) (Association Scottish Police Superintendents)  
Alasdair Corfield (AC) (Police Scotland)  
John MacLean (JM) (Scottish Police Authority)

**Advisers:** Robert Fornear (RF) (GAD)

**Officials:** Alan Wilkinson (AW) (SPPA)  
Finn Mackenzie (FM) (SPPA)  
Elle O’Kane (EO) (SPPA)  
Gerry McGarry (GM) (SPPA)  
Donna Turnbull (DT) (Police Division)  
Peter Jamieson (PJ) (Police Division)

**Observers:** Sharon Dalli (SD) (Police Scotland)  
Claire Neale (CN) NPCC  
Kevin Courtney (KC) NPCC

**Apologies :** Anne-Marie Pettie (AMP) (GAD), Anita Popplestone (AP) (Police Division), Clair Alcock (CA) (NPCC)

**Secretariat :** Craig Finlay (SPPA)

### 1. Welcome and Introductions

1.1 The Chair opened the meeting and welcomed everyone.

### 2. Conflicts of Interest

2.1 No new conflicts of interest declared.

### 3. Previous Minutes/Actions

3.1 The minutes from the meeting of 23 October 2023 were agreed.

3.2 Outstanding actions were reviewed and the following noted:

- **Action 94** - SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available – **IC provided update. SPPA to seek appointment of an Independent Chair through Public Appointments Process. Action to be carried forward.**

- **Action 95** – SPPA to consider holding review of the effectiveness of the Scottish Police SAB – IC provided update. SPPA Governance Team currently undertake Annual Effectiveness Review for Pension Boards and will look to extend this and adapt for SABs. Action to be carried forward.
- **Action 97** – SPPA to seek board members' views on changes to the provision for eligibility for ill health retirement, including retrospection once the outcome of the current Employment Tribunal is known – Action to be carried forward and linked with AP100.
- **Action 99** – SPPA to seek update from the Home Office regarding outcome of current Employment Tribunal (Ker)– AW provided update. Tribunal concluded but SPPA yet to see the paper detailing the outcome. Action to be carried forward.
- **Action 100** – SAB to consider unlinking previously deferred members who haven't been able to take ill health benefits – AW provided update. SPPA will take forward regulation changes on a four-nation approach. Action to be carried forward and linked with AP97.
- **Action 101** – SPPA to circulate details of the principals of Contingent Decisions Applications and the decision making process to the SAB – FM provided update.

**Action: SPPA to produce a paper that will support the details of the principles of contingent decisions applications and the decision-making process for circulation to SAB and the Joint Working Group.**

- **Action 102** – SPPA to provide a response to the Remedy Consultation and copy distributed to SAB Members once published – FM provided update. Consultation response going through final drafting and should be ready for release in the next three weeks. Action to be carried forward.
- **Action 103** – A sub group to be established to analyse what additional data, including opt outs by age, can be provided on scheme participation. Also to review how to source better information, for example by more effective engagement with those opting out – AW provided update confirming that formal sub group has not been formed however an enhanced participation paper has been created. – Complete. Close Action
- **Action 104** – The final valuation reported to be distributed to the SAB members once published –Action closed.
- **Action 105** – SPPA to provide an options paper for the Member Contribution Yield deficit – Agenda item 5. Close Action closed
- **Action 106** – AW to produce a table for the SAB outlining future proposed legislative changes –Agenda item 7. To be included as fixed agenda item. Action closed.

#### **4. Remedy Administration Update**

4.1 The Chair invited FM who provided an update, summarising the paper provided alongside the SAB agenda and additional papers.

- 4.2 Opt-out/Buy-back was launched in December 2023 with 31 applications being received so far. FM confirmed that SPPA have reviewed the administrative deadline for Opt-out/Buy-back, changing it from the original deadline date of 30 September 2024 to the date 12 months from when the Remedial Service Statement (RSS) is sent. SPPA will update Guidance on the 2015 Remedy Hub to this effect.
- 4.3 There have been delays in development of other contingent decision processes, namely, transfers, honoraria, and additional service/contributions.
- 4.4 A team has been set up to process immediate choice and have so far processed 154 cases out of the first cohort from the agreed schedule, Ill-health pensioners. System limitations require manual processing of casework.
- 4.5 SPPA are streamlining the payroll/finance processes to mitigate any bottlenecks that may arise from the processing of amended pension payments following the return of the RSS choices.
- 4.6 SPPA temporarily paused implementation of immediate choice due to an issue arising around the authorised status of interest payments related to arrears of pension and lump sum top ups (covered in supplementary paper ).
- 4.7 SPPA are working on the wider immediate choice process, implementing automation to facilitate bulk processing.
- 4.8 Ill-health – Letters regarding reassessment have now been issued to pensioners and the process of reassessment of those required will be undertaken through spring and summer of 2024. RSS will be produced once results from reassessment are known.
- 4.9 Communications - SPPA have drafted single page information sheets that cover ill-health, immediate choice, and contributions. Drafts are under final review and will be issued to members.
- 4.10 The latest SPPA/Policing Partners newsletter was issued in February 2024.
- 4.11 Progress made regarding contributions corrections. Partnership meetings between SPPA and SPA continue.
- 4.12 Deferred Choice; system readiness - Work continues on the rollback to legacy process (amendment of member records). Target completion by end of April 2024. Pipeline deferred choice casework continues to be processed on a manual basis. FM assures that the information provided to members is accurate.
- 4.13 Additional Specialist Tax Support for those impacted by pensions tax – business case approved and we are now going through the procurement phase.
- 4.14 SD asked if there will be any interaction between the Immediate Choice Statements and the tax and interest. FM advised that where there is a change to the pension (pension arrears to be paid or a lump sum top up to be paid) following the choice made by the member, there will be interaction
- 4.15 JM grateful for tax support. JM commented on decision on September opt out date made outside of usual communication channels. Chair noted and will ensure consultation on such issues again.
- 4.16 AC asks what the current system limitations are with regards to immediate choice. FM advises these are due to the members being pensioners and their records being in a different

state (assumed “deferred” status). SPPA working with Heywood to try and mitigate this and speed up the process. Testing to be carried out, possibly in early summer but this has not been confirmed.

4.17 SC offers assistance with any testing required for pension tax support. FM welcomes this and offers to provide copy of draft of business case, listing specification requirements.

4.18 AC asked for clarity on the system limitations and impact of this on the immediate choice processing team. FM described that the system does not currently have functionality to automatically process IC-RSS or the subsequent payment of revised pensions. This means the team must calculate and produce IC-RSS manually.

4.19 SC suggested that staff associations could contribute to the content requirements for the specialist tax support. FM agreed that this would be useful and suggested circulating the draft requirements statement. JM expressed gratitude to SPPA for the commitment to providing tax support.

4.20 JM stated that the change to the opt-out buyback deadline (paragraph 4.2) was welcome but commented that on reflection SPPA might have consulted stakeholders before setting this date. The Chair noted these comments and will ensure there is consultation on similar issues.

4.21 FM read through the supplementary paper regarding the Authorised/Unauthorised Payments. Information has been provided to public service pension schemes by HM Treasury and HMRC clarifying the authorised status of some interest payments. Where interest is paid above the commercial rate it will be unauthorised and subject to the unauthorised payment charge. Project leads have continued production of RSS following a brief pause to consider the impact of this information. GAD is producing an Interest Calculator however completion is contingent on obtaining full clarity from HMRC on some technical and administrative points.

## **5. Participation Rates**

5.1 The Chair invited AW to present his Participation Rate paper, (Paper 3), providing insight and highlighting trends in the data. SAB welcomed the information and discussed trends, particularly the evidence of scheme participation amongst constables in their first years of service.

**Action: Consider inclusion of stats for officers leaving service in the participation rates paper**

## **6. Member Contributions Yield**

6.1 The Chair invited AW and RF to present paper.

6.2 AW reminded the SAB that the employer contribution rate will increase from 30.2% to 38.7 % from 1 April 2024.

6.3 AW confirmed that there is an anticipated shortfall of 0.24% in the Member Contribution Yield, as the universal rate in the 2015 scheme is 13.46% with the target yield in the scheme framework design set at 13.7%, in line with the scheme in England and Wales. The views of the SAB are sought on appropriate steps to take to deliver the target yield by the end of the implementation period.

6.4 RF presented on potential options, setting the position in Scotland amongst that in the other UK police schemes. The SAB discussed the options and potential principles to agree on,

**Action: SPPA and GAD to prepare illustrative examples of contribution tiers that meet target member contribution yield, and development principals that underpin any new design.**

## 7. Regulation Amendments

7.1 The Chair invited AW to discuss the recent and planned amendments.

7.2 A statutory instrument delivering changes to Employer Contribution Rates (ECR) and On-call Allowances (OCA) was laid on 14 March 2024. This will come into force on 10 May 2024, with ECR effective from 1 April 2024 and OCA effective from 1 January 2023.

7.3 Ill Health – Changes to provisions determining eligibility for ill-health benefits need to be reviewed following Ker employment tribunal. Officials are anticipating a consistent approach across the UK schemes for prospective and retrospective provisions.

7.4 Special Constables – For awareness – the Scottish Police Consultation Forum is considering provisions for Special Constables. JM will provide SAB with an update on sub group discussions.

7.5 SD asked whether the table of proposed amendments could include miscellaneous changes and corrections. The Chair agreed SPPA will keep the table up to date and that all regulations will be monitored for continued relevant, for example in relation to changing Finance legislation.

**Action – table of proposed legislation to be maintained and reviewed at each SAB.**

## 8. AOB

8.1 None

## 9. Date of Next Meeting

8.1 The Chair proposed that the next meeting will be scheduled for June/July and calendar invites will be issued to board members to schedule quarterly meetings to end of 2024.

## Summary of New Actions

Action No	Para No	Action	Owner
107	3.2	Produce a paper that will support the details of the principles of contingent decisions applications and the decision making process for circulation to SAB and the Joint Working Group.	SPPA
108	5.1	Consider inclusion of stats for officers leaving service in the participation rates paper	SPPA/PS
109	6.4	SPPA and GAD to prepare illustrative examples of contribution tiers that meet target member contribution	SPPA/GAD/All

		yield, and development principals that underpin any new design	
<b>110</b>	7.5	Table of proposed legislation to be maintained and reviewed at each SAB	SPPA

### Summary of Action Points to be Carried Forward

Action No	Action	Owner
<b>94</b>	SPPA to provide update on proposal to appoint independent Chair of Police SAB when further information is available	IC/SPPA
<b>95</b>	SPPA to consider holding review of the effectiveness of the Scottish Police SAB	SPPA
<b>97 &amp; 100</b>	SPPA to seek board members' views on changes to the provision for eligibility for ill health retirement, including retrospection and unlinking previously deferred members who haven't been able to take ill health benefits, once the outcome of the current Employment Tribunal is known.	SPPA
<b>99</b>	SPPA to seek update from the Home Office regarding outcome of current Employment Tribunal (Ker)	SPPA
<b>102</b>	SPPA to provide a response to the Remedy Consultation and copy distributed to SAB Members once published	SPPA