



Government Actuary's
Department

Retrospective Changes to Ill-Health Eligibility

Analysis to support the Equality Impact Assessment
for the Police Pension Schemes (Scotland)

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Navigating risk | Cutting through complexity

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1. Introduction

Purpose

- 1.1 This report is addressed to, and has been prepared at the request of, the Scottish Public Pensions Agency ('SPPA').
- 1.2 The Public Sector Equality Duty ('PSED') was created by the Equality Act 2010 and is supported by the specific duties contained in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, as amended.
- 1.3 The PSED requires the Scottish Government to assess the impact of applying a proposed new or revised policy or practice. Those setting policy must have 'due regard' to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people with different protected characteristics when carrying out their activities.
- 1.4 There are nine protected characteristics identified in the Equality Act 2010: (1) sex, (2) age, (3) disability, (4) race, (5) religion or belief, (6) gender reassignment, (7) pregnancy and maternity, (8) sexual orientation, (9) marital or civil partnership status.
- 1.5 The purpose of this report is to provide analysis, specifically in relation to the Police Pension Schemes (Scotland), to support SPPA who are acting on behalf of Scottish Ministers, in considering the impact of proposed retrospective changes to ill-health eligibility.

Background¹

- 1.6 Part 4 of The Police Pension Scheme (Scotland) Regulations 2015 ('the 2015 scheme') sets out the rules governing eligibility for payment of ill-health benefits.
- 1.7 Prior to 1 April 2025, these regulations allowed for the scheme manager to exclude certain active members from ill-health benefits if they had a pre-existing condition which meant that the likely cost of providing the officer with those benefits would be deemed "disproportionally high". Officers who were deemed ineligible for ill-health benefits paid a lower level of contributions, as a result of their ineligibility.

Prospective Changes to Ill-Health Eligibility

- 1.8 The Police Pension Scheme (Scotland) Amendment Regulations 2025 came into force on 1 April 2025. These prospective amendment regulations **removed** provision for the scheme manager to exclude certain active members from ill-health benefits under the terms outlined in paragraph 1.7 above. Following the introduction of these prospective amendments, all officers joining the Scheme are eligible for full ill-health benefits and pay the full member contribution rate from 1 April 2025.

¹ [Consultation - Amendments to the Police Pension Scheme \(Scotland\) Regulations .pdf](#)

Retrospective Changes to Ill-Health Eligibility

- 1.9 It is proposed that members who joined the 2015 Scheme between 1 April 2015 and 31 March 2025, and were deemed to be ineligible for ill-health benefits, should be given a retrospective option to establish full entitlement to ill-health benefits, by paying the balance of contributions due to cover the pension accrued from commencement of active scheme membership up to 1 April 2025. Officers will be provided with an options letter, detailing:
- the amount of contributions paid for the period which they had previously been deemed ineligible for ill-health benefits,
 - the amount of contributions which will be owed to the scheme if the officer makes an election for the relevant period, and
 - confirmation that the officer has a period of six months to decide whether or not to make an election.
- 1.10 Following receipt of an election, it is proposed that the shortfall in contributions can be repaid either by lump sum, or by an agreed period of instalments, but that the outstanding amount must be repaid in full no later than five years from the date of the options letter.
- 1.11 It is proposed that the responsibility will be on the member to respond to the options letter, and that the absence of any response within the election period will be treated as a decision not to make an election. Additionally, that the decision made in the election period, is irrevocable.
- 1.12 The option will provide for the officer to pay up an amount representing the 2.5% shortfall of contributions resulting from the contribution rate being reduced from 13.46% to 10.96% over the period of pensionable service. There will be no impact on employer contributions in respect of any option taken.

Policy to be assessed

- 1.13 This report is intended to support consideration of the impact of the proposed retrospective changes to ill-health eligibility outlined above.
- 1.14 Further information on our approach to assessing this is provided in Section 2.
- 1.15 There are limitations in the data available to analyse all the protected characteristics. More information on this is provided in Section 6.

Next steps

- 1.16 Sections 3, 4 and 5 consider the potential impact of the proposed measures by reference to the protected characteristics identified in the Equality Act 2010.
- 1.17 We have included commentary on the analysis of the data which SPPA may wish to use in the preparation of its Equality Impact Assessment ('EIA'). However, it is

important to note that **it is for SPPA, acting on behalf of Scottish Ministers, to review this analysis and ultimately determine their view of the assessment of the equalities impact** i.e. have 'due regard' as to whether the policy treats someone less favourably due to a protected characteristic.

2. Approach to assessment and data used

We have outlined below the information we will use as a basis for examining the protected characteristics.

Scope of analysis

- 2.1 This analysis covers members of the 2015 scheme who were previously deemed ineligible for ill-health benefits and may be affected by the proposed retrospective changes set out in Section 1.

Data provided

Affected Members

- 2.2 SPPA have identified 36 members who joined the 2015 Scheme between 1 April 2015 and 31 March 2025 and were deemed to be ineligible for ill-health benefits (the 'affected members'). In January 2026, SPPA provided GAD with the unique identifiers for these 36 members.
- 2.3 GAD used the unique identifiers to identify the members within the membership data provided to GAD for the purposes of the 31 March 2024 actuarial valuation. GAD was able to identify the age and sex of these members.
- 2.4 SPPA confirmed that all 36 members are currently non-pensioners.

Comparator Group

- 2.5 Data was provided by SPPA to GAD in October 2025 for the purposes of completing the actuarial valuation of the Scheme, as at 31 March 2024.
- 2.6 The membership data from the 2024 valuation remains provisional, as processing is still underway and will not be finalised for several months. Consequently, figures in this dataset may change before the valuation is concluded.
- 2.7 We considered whether it was appropriate to use this provisional data rather than the finalised 2020 valuation data. Given the affected members may have joined the Scheme in recent years, it was considered more appropriate to use the more recent dataset (though noting it is still provisional).

Comparison Carried Out

- 2.8 This analysis compares the age and sex profile of the affected members with that of the wider active and deferred membership ('non-pensioner membership'), using provisional 2024 valuation data.

- 2.9 Due to data limitations, other protected characteristics have not been examined, as noted in Section 6.

Impact of Small Dataset

- 2.10 The group of affected members analysed in this report comprises only 36 individuals, representing a very small fraction of the total non-pensioners membership as at 31 March 2024 (estimated to be around 20,000 members).
- 2.11 As a result, percentage differences between the affected group and the wider non-pensioner membership can appear large, but they may be driven by small absolute changes in member numbers.
- 2.12 Findings should therefore be interpreted with caution, as the statistical significance of observed differences is limited by the small dataset size.

3. Equality Impact Analysis: Age

This section outlines our analysis of how the proposed retrospective changes to ill-health eligibility may affect members differently according to age, one of the protected characteristics defined in the Equality Act 2010.

Introduction

- 3.1 The proposed changes apply to all affected members, regardless of age. However, we have considered the potential impact on these members across different age groups.
- 3.2 The analysis compares the age distribution of affected members with that of the wider non-pensioner membership, using provisional data from the 2024 valuation.

Analysis: Age

- 3.3 For both datasets, each member's age has been determined as at 31 March 2024.
- 3.4 The table below compares the age profile of these two groups of members.

Age	Non-pensioner members (provisional 2024 data)	Affected members
18-24	3%	0%
25-29	9%	22%
30-34	15%	22%
35-39	18%	25%
40-44	18%	17%
45-49	16%	14%
50-54	15%	0%
55-59	6%	0%
60+	1%	0%

Due to rounding, the figures in the table above may not add to 100%

- 3.5 This analysis identifies that:
- 3.6 The affected group is more concentrated in the 25-39 age range (69% versus 42% in the wider non-pensioner membership), with comparatively high representation in the 25-29 band. In contrast, the wider non-pensioner membership has a greater proportion of members aged 40 and above (56% versus 31% in the affected group).
 - No affected members are in age bands 50 and above, whereas the wider non-pensioner membership includes a notable proportion (around 22%) in these age bands. The proposal does not appear to affect older cohorts.

- Overall, the affected group has a younger age profile compared with the wider non-pensioner membership.
- Where differences appear large in percentage terms, they are driven by fewer than 40 individuals and should be interpreted cautiously.

4. Equality Impact Analysis: Sex

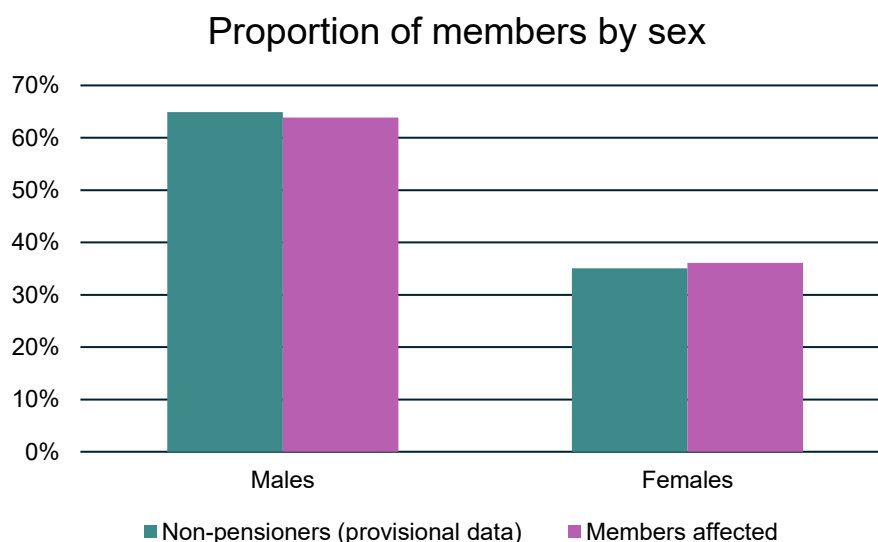
This section outlines our analysis of how the proposed retrospective changes to ill-health eligibility may affect members differently according to sex, one of the protected characteristics defined in the Equality Act 2010.

Introduction

- 4.1 The proposed changes apply to all affected members, regardless of sex. However, we have considered the potential impact on these members across sex.
- 4.2 The analysis compares the sex distribution of affected members with that of the wider non-pensioner membership, using provisional data from the 2024 valuation.

Analysis: Sex²

- 4.3 The chart below compares the sex profile of these two groups of members.



- 4.4 This analysis identifies that:
 - The overall sex profile of the affected members is similar to the overall profile of the wider non-pensioner membership, as at 31 March 2024.

² The Equalities Act 2010 lists 'sex' as a protected characteristic. Data for the Police Pension Scheme (Scotland) is also available by sex. However, it is important to note that sex and gender are two different concepts. A person's gender identity is not always the same as the sex assigned to them at birth, and some people may not identify as having a gender or as non-binary. Gender reassignment is also a protected characteristic under the Equality Act 2010.

- The affected group has a slightly lower proportion of males and a slightly higher proportion of females.
- Both groups have a majority of male members.

5. Equality Impact Analysis: Age and Sex

This section outlines our analysis of how the proposed retrospective changes to ill-health eligibility may affect members differently according to age and sex, two of the protected characteristics defined in the Equality Act 2010.

Introduction

- 5.1 As noted above, the proposed changes apply to all affected members; regardless of age or sex.
- 5.2 The analysis compares the age and sex distribution of these members with that of the wider non-pensioner membership, using provisional data from the 2024 valuation.

Analysis: Sex and age

- 5.3 For both datasets, each member's age has been determined as at 31 March 2024.
- 5.4 The table below compares the age and sex profile of these two groups of members.

Age	Male non-pensioner members (provisional data)	Affected Male members	Female non-pensioner members (provisional data)	Affected female members
18-24	3%	0%	3%	0%
25-29	8%	17%	10%	31%
30-34	15%	30%	14%	8%
35-39	18%	26%	18%	23%
40-44	18%	13%	18%	23%
45-49	16%	13%	16%	15%
50-54	16%	0%	14%	0%
55-59	6%	0%	5%	0%
60+	1%	0%	0%	0%

Due to rounding, the figures in the table above may not add to 100%

- 5.5 This analysis identifies that:
- Affected males have higher proportions than the wider non-pensioner male membership in the 25-39 age bands (73% versus 41%). The wider non-pensioner male membership, in contrast, has relatively more members in the 40-49 age bands.

- Affected females have higher proportions than the wider non-pensioner female membership in most age bands between 25 and 44 (85% versus 60%). The wider female non-pensioner population shows proportionally more members in the 30-34 age band.
- No affected members, male or female, are aged 50 or above, reflecting a concentration in both younger and mid-age ranges compared with the wider non-pensioner membership.
- Where differences appear large in percentage terms, they are driven by fewer than 40 individuals and should be interpreted cautiously.

6. Equality Impact Analysis: Other protected characteristics

This section outlines our analysis of how the proposed retrospective changes to ill-health eligibility may affect members differently according to the remaining protected characteristics defined in the Equality Act 2010.

- 6.1 The available data on the affected members does not include information on all protected characteristics under the Equality Act 2010.
- 6.2 There is no available data on the characteristics of those affected members for the following protected characteristics: ethnic minority, disability, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity or marriage and civil partnership.
- 6.3 As a result, we are unable to assess the impact of the proposed changes on affected members with these characteristics.

Disability

- 6.4 The affected members were deemed ineligible for ill-health retirement because of a pre-existing condition at the point they joined the Scheme. All other members were not recorded as having a pre-existing condition that resulted in ineligibility for ill-health benefits.
- 6.5 The policy intention is to equalise benefits for the affected members, with the wider Scheme membership.
- 6.6 However, the affected member's data does not provide a complete picture of all individuals might be classed as having a 'disability' under the Equality Act. The affected members represent around 0.2% of the non-pensioner membership. In comparison, overall workforce statistics for Police Officers in Scotland suggest around 4%³ of the overall workforce has a disability.
- 6.7 As above, based on the available data, it is not possible to analyse how the disability profile of the affected members compares with the disability profile of the overall non-pensioner population.

³ [Equality and Diversity Employment Monitoring Report 2023/24](#)

Appendix: Compliance and limitations

- This report has been prepared by GAD at the request of SPPA. The purpose of this report is to provide analysis to support the EIA in considering the impact of proposed retrospective changes to ill-health eligibility.
- This report has been prepared for the use of SPPA and must not be reproduced, distributed or communicated in whole or in part to any other person without GAD's prior written permission. We are however content for this report to be published alongside SPPA's EIA, on the condition that it is published in full.
- Other than SPPA, no person or third party is entitled to place any reliance on the contents of this report, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this report.
- In preparing this report, GAD has relied on data and other information provided by SPPA. Any checks that GAD has made on this information are limited to those described in the report, including any checks on the overall reasonableness and consistency of the data. These checks do not represent a full independent audit of the data supplied. In particular, GAD has relied on the general completeness and accuracy of the information supplied without independent verification.
- GAD are not lawyers, and our advice does not constitute legal advice. Advice in this area should be sought from an appropriately qualified person or source.
- This report has been carried out in accordance with the applicable Technical Actuarial Standard: TAS 100 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.