

2015 Remedy Contributions Deferred Member Guidance



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Contribution Adjustments Police Pension Scheme 1987



Police Pension Scheme 1987

Moving back to the Police Pension Scheme 1987

The 2015 Remedy may have affected the contributions you have made. If you are [eligible for the 2015 Remedy](#), your pension was returned to the Police Pension Scheme 1987 (PPS 1987), also called the legacy scheme, for the remedy period (1 April 2015 to 31 March 2022) to enable you to make a remedy choice when you retire.

By moving your pension back to the PPS 1987 for the remedy period, you now owe contributions.

This guidance is to help you understand the impact of the 2015 Remedy on contributions and how your contribution payments will be adjusted.

Your Deferred Annual Benefit Statement is combined with a Remediable Service Statement (DB-RSS), showing your PPS 1987 and CARE 2015 scheme benefits (also called the reformed scheme), along with details of any contributions you owe for the remedy period.

The DB-RSS is available on the SPPA's [self-service portal](#).

This guidance is only for members who were returned to the PPS 1987 for the remedy period.

If your DB-RSS tells you that you were put back into the NPPS 2006 scheme, you will find guidance [here](#).

If you need your DB-RSS in a different format please [contact us](#).

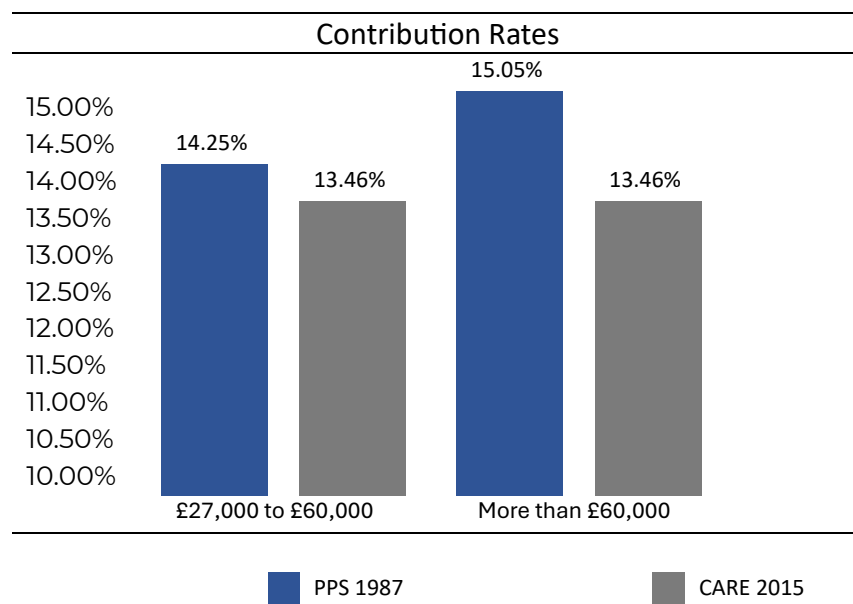
Contributions

The PPS 1987 and the CARE 2015 scheme have different rates of member contributions.

The contribution rates and salary bandings remained the same during the remedy period 1 April 2015 to 31 March 2022.

The chart below shows the contribution percentage for each salary banding for the PPS 1987 and CARE 2015 scheme. It shows that the contribution rate of the PPS 1987 is higher than the CARE 2015 scheme.

The PPS 1987 had higher contribution rates compared to the CARE 2015 scheme. This means that you will have underpaid contributions and you need to pay the difference back to the pension scheme.



The [legislation](#) directs that members must pay pension contributions equal to the difference in the schemes.

Adjustment options

Your DB-RSS will show your repayment options and timescales.

According to scheme [regulations](#) any contributions owed must be paid back to the pension scheme.

When and how you choose to pay is your choice, but you should consider the benefits you think you'll choose at retirement when making your decision.

You have three months from receiving your DB-RSS to tell us how you want to make your repayment.

If you don't tell us how you want to repay, your contribution adjustment will be made when you apply to take your benefits at retirement.

Interest will continue to accrue until full payment is made.

Repayment options

Lump Sum

Repay a lump sum within three months of receiving your DB-RSS.

Upon receipt of your decision, we must recalculate the amount specified in your DB-RSS to include any additional interest accrued up to a specified payment date.

We will issue payment instructions to you by email. Please review these carefully and ensure payment is made by the indicated date, otherwise further recalculations will be required.

Interest will continue to accrue until full payment is made.

If you make the contribution adjustment before you retire and then choose CARE 2015 scheme benefits at retirement, your contributions will be refunded.

Defer until retirement

You can choose to defer paying back your underpaid contributions until you retire. You need to tell us your decision within three months of receiving your DB-RSS.

Payment will be deducted from your pension benefits, net of tax relief.

Interest will continue to accrue until full payment is made.

Once you know how you will make your repayment you can use the Engage form to let us know your choice.

If you decide to defer payment until retirement but change your mind at a later date and would prefer to repay by lump sum, you can notify us when you receive your next DB-RSS.

Application of tax relief

When pension contributions are made into a UK pension scheme, tax relief is received on those contributions. This can reduce the amount of income tax paid in that year.

Tax relief is given based on your rate of income tax. For remedy, the tax relief applied is at your historical marginal rate which is the rate you were paying during the remedy period.

The SPPA will automatically adjust your contributions for tax relief at your historical marginal rate. This adjustment will be calculated based on your

taxable earnings during the remedy period. If you decide to defer payment until retirement, these adjustments will be made when you retire.

Application of interest

The government has determined that where a member or their representative has to pay an amount to the scheme, interest on that amount must be calculated as compound interest which accrues from day to day.

The applicable interest rate is the National Saving & Investments (NS&I) Direct Saver rate (- <https://www.nsandi.com/historical-interest-rates>) and is calculated from when the contributions were first due until the amount owed is paid.

When you retire, if you choose CARE 2015 scheme benefits, your contributions will be adjusted again, and you will be owed a refund of the contributions difference and interest for the whole of the remedy period.

Legislation

The legislation relating to the adjustment of contributions for remediable service can be found below.

[The Public Service Pensions and Judicial Offices Act \(PSPJOA 2022\)](#)

- Pension contributions – active and deferred members– Sections 16 and 17
- Remediable service statements – Section 29

[The Public Service Pensions \(Exercise of Powers, Compensation and Information\) Directions 2022 \(The Directions\)](#)

- Interest and process – Chapter 4, Directions 13 to 19
- Remediable Service statements – Direction 20, paragraph 1b

[The Police Pensions \(Remediable Service\) Regulations 2023 \(Police Scheme Remediable Regulations\)](#)

- Remediable service statement – Part 2
- Payment of amounts owed to the scheme manager – Regulation 64
- Payments of amounts owed to a person – Regulation 65

[The Police Pensions \(Contributions\) Amendment \(Scotland\) Regulations 2014 \(legislation.gov.uk\)](#)

- PPS 1987 – Regulation G7

[The Police Pension Scheme \(Scotland\) Regulations 2015 \(legislation.gov.uk\)](#)

- PPS 2015 – Regulation 160