

## **EXECUTIVE NOTE**

### **The Police Pensions (Scotland) Regulations 2007 SSI/2007/201**

The above instrument is made in exercise of the powers conferred by section 1 to 7 of the Police Pensions Act 1976 (as amended). Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative resolution procedure. The instrument establishes a new pension scheme for police officers, which will be known as the New Police Pension Scheme (“NPPS”). The new scheme is designed to be more modern and affordable and incorporates features common to many of the modernised schemes across the public sector.

The scheme was introduced administratively on 6 April 2006 to coincide with changes to the tax legislation relating to pensions which came into effect on the same day. The retrospective effect is permitted by section 1(5) of the Police Pensions Act 1976 (apart from regulations 13(3) (b) and 78(7) which did not feature in the original proposals and so are not being backdated to 6 April 2006). The instrument applies only to Scotland.

The instrument is being made, and the new pension scheme introduced, for the policy reasons set out below. In common with many other public sector pension schemes, NPPS is a scheme in which pension rights are safeguarded by legislation. The introduction of the new scheme requires a new set of regulations.

#### **Policy Objectives**

The Police Pensions Act 1976, under which the instrument is made, provides for regulations to be made for the pension arrangements of members of police forces.

The initial consultation for the NPPS issued in December 2003 outlined the continued UK wide approach on police pensions. The change introduced by this instrument is politically important in that the NPPS represents the first major overhaul of police pensions in over 80 years. The new pension scheme will play an important part in the police modernisation programme. The new scheme, with its more extensive survivor benefits and a rate of pension build-up which does not disadvantage late joiners, will make the police service more attractive to a wider range of recruits in terms of lifestyle and age. This will help to achieve a modern service that reflects the diversity in today’s society and is better able to respond to the community’s needs.

Section 1 of the Police Pensions Act requires that changes to police pensions are consulted with the Police Negotiating Board. The development of the NPPS regulations was headed by the Home Office following extensive discussions over a period of two years and full account was taken of comments received from both the Official and Staff Sides. Although this instrument reflects the regulations introduced by the Home Office for England and Wales changes applicable to Scotland are reflected in this instrument. The changes applicable to Scotland were highlighted and passed to the PNB and other Scottish stakeholders for consideration.

The level of public interest in the introduction of the new scheme has been low. The consultation process referred to above included police groups represented on the PNB as well

as other police groups such as the British Association of Women Police and the Gay Police Association. Other government departments with responsibility for public sector pension schemes, as well as HM treasury and Government Actuary's Department, were also consulted. Members of the public had an opportunity to respond, but the response was largely confined to central and local government, police and pensions interests. There was little media coverage on the introduction of the new scheme, other than in specialist police and pensions publications, and none is expected on the introduction of the instrument.

NPPS, like the 1987 Police Pension Scheme, is a national pension scheme which is administered locally by police authorities. Full guidance on the instrument, in the form of a Commentary covering each regulation, is in preparation and will be issued to police authorities. A Members' Guide for officers who are members of the NPPS has been distributed to police authorities and is available on the SPPA website [http://www.sppa.gov.uk/pension\\_reform/documents/NewPolicePensionsScheme2006MembersGuide\\_000.pdf](http://www.sppa.gov.uk/pension_reform/documents/NewPolicePensionsScheme2006MembersGuide_000.pdf).

All new officers joining the police service for the first time on or after 6 April 2006 are admitted to NPPS. Officers who joined before 6 April have the option to transfer to NPPS if they wish. The new scheme maintains the fundamental principles of the 1987 Police Pension Scheme of pension benefits based on final salary and a low normal minimum pension age in recognition of the heavy fitness demands placed on operational police officers.

Key features of NPPS include:

- police officers contribute 9.5 per cent of their pay to the scheme (compared with 11 per cent under the current scheme);
- a maximum final pension of half final salary plus a lump sum of four times the annual pension (compared with two-thirds final salary and option to exchange part of the pension for a lump sum under the current scheme);
- a new option to nominate an unmarried partner - including a same-sex partner who is not a civil partner- as a pension beneficiary;
- new lifelong benefits for surviving spouses, civil partners and nominated unmarried partners;
- an even build-up of pension scheme benefits over an officer's career, which gives late joiners a fair deal (compared with the current scheme which has a greater rate of build-up of pension after 20 years' service); and
- an option to exchange all or part of the lump sum for additional annual pension.

In order to assist with reviewing the instrument, an outline of the purpose and effect of each of the 98 regulations and five schedules in the instrument is set out in the attached (?) Annex.

## **Consultation**

As outlined above in accordance with the provisions of section 1 of the Police Pensions Act 1976 this instrument was sent in draft to the Police Negotiating Board for consultation.

## **Financial Effects**

No Regulatory Impact Assessment has been prepared because no impact on the private or voluntary sector is foreseen.

The impact on the public sector will be an initial increased workload in introducing and administering a new pension scheme concurrently with the present Police Pension Scheme. Over time, as more officers join the new scheme and the numbers in the old scheme fall, there will be a saving in public expenditure, as the new scheme costs less as a percentage of pay than the current scheme. Ultimately, the saving has been assessed as 8.3% of pay and savings will begin to be made after the new scheme has been in place for about 25 years.

Scottish Public Pensions Agency

March 2007

## **Annex: Summary of purpose and effect of the Police Pensions Regulations 2006**

### **Part 1 General Provisions**

1. The instrument comprises regulations which are divided into nine Parts, with five Schedules. Part 1 consists of regulations 1–5, which contain general provisions. Regulation 1 contains the commencement provisions. The Regulations have effect from 6th April 2006, apart from regulations 13(3) (b) and 78(7), which have effect from the date this instrument comes into force. Regulation 1 also specifies that the regulations extend to Scotland (England and Wales and Northern Ireland are subject to separate regulations on similar lines). Specialist terms used in the instrument are defined in Schedule 1, as introduced by regulation 2. Regulation 3 ensures that inspectors of constabulary and officers engaged on “relevant service” under the Police (Scotland) Act 1967 (which includes officers serving overseas) are treated as members of a home police force. Regulation 4 defines “disablement”, which is used to determine whether an officer is potentially eligible to retire on the grounds of ill-health. For this purpose, there are two levels of disablement. Disablement for the ordinary duties of a member of the police force is the test for eligibility for a standard ill-health pension and disablement for any regular employment (defined as an annual average of at least 30 hours per week) may entitle an officer to an enhanced ill-health pension. Regulation 5 defines the circumstances in which an officer is construed as having transferred from one force to another, which is important as the officer’s pension rights will then transfer.

### **Part 2 Eligibility For Pension Awards, Pensionable Service And Retirement**

2. Part 2 of the regulations covers eligibility for pension awards and defines pensionable service and retirement. Regulation 6 and Schedule 2 specify those police officers to whom the regulations apply and, where these are not new recruits to the police service on or after 6 April, how those officers are affected. Officers who rejoin the police service after 6 April 2006 or who have opted out of the 1987 Police Pension Scheme on or after 6 April 2006, and then wish to rejoin, are admitted to NPPS.

3. Schedule 3 provides for the transfer of pension benefits from the 1987 Police Pension Scheme to NPPS under regulation 6(8). This regulation gives certain officers the right to transfer their 1987 Police Pension Scheme service to NPPS on favourable terms during a three-month options exercise period determined by the Scottish Ministers to be 1 November 2006 – 31 January 2007. Officers who rejoin the police service for the first time after the start of the options exercise will have the same right, with a three-month period (which commences on the date of rejoining) during which the favourable terms will be available to them. There is also a general right to transfer Police Pension Scheme service to NPPS at any other time on the basis of a cash equivalent transfer value, which is a general statutory methodology for transferring pension rights between different pension schemes.

4. Regulation 7 determines the pension contributions that officers pay as a percentage of their pensionable pay. The normal contribution rate is 9.5%, but a reduced contribution rate of 6% is payable if the officer is not eligible for an ill-health pension.

5. Regulation 8 enables the police authority to require certain entrants to the scheme to submit to a medical examination, in order to assess whether the risk that they will retire

on the ground of permanent disablement is such that the likely cost of providing them with benefits under the Regulations is disproportionately high. Any such officers are not eligible for ill-health pensions. The purpose is to protect the police authority against an unacceptably high cost risk.

6. Regulation 9 enables an officer, at any time, to elect not to pay contributions to the NPPS. This is informally referred to as “opting out” of the NPPS. If an officer opts out within three months of taking up appointment, the decision is backdated to the date of appointment.

7. Regulations 10 to 16 set out the basis for calculating (“reckoning”) years of pensionable service for the purpose of calculating pension benefits. Generally, pension contributions must be paid in respect of a period of service in order for it to be pensionable. The only exception to this general rule is the first 26 weeks of maternity leave. The regulation makes provision for an officer to elect to pay pension contributions in respect of unpaid maternity, parental or sick leave.

8. Regulations 11 –16 determine the calculation of pensionable service in various specific circumstances. Regulation 11 provides that an officer’s current service is pensionable, provided that he has not opted out of NPPS. Regulations 12 and 13 govern the treatment of previous service and ensure that, when an officer transfers to a new force or rejoins the police service, their previous pensionable service can be included in their pensionable service. Regulation 14 covers the reckoning of part-time service, which is proportional to the reckoning of full-time hours. Regulation 15 states that when pensionable service is transferred into NPPS from another pension scheme, the pensionable service so purchased in NPPS is as determined by guidance issued by the scheme actuary – this is the “cash equivalent transfer value” basis mentioned in 3 above. Regulation 16 fixes the maximum pensionable service as 35 years and provides that pensionable service is calculated as a whole number of years and a fraction of a year.

9. Regulation 17 defines retirement for the purposes of the regulations. Regulation 18 sets the minimum normal retirement age as 55 and allows all officers to retire at that age after giving appropriate notice to the police authority. Regulation 19 sets out compulsory retirement ages by rank of officer, which are 60 for officers up to and including the rank of chief inspector and 65 for officers in any higher rank. These new compulsory retirement ages were introduced on 1 October 2006; the previous compulsory retirement ages under the 1987 Police Pension Scheme apply for the period 6th April to 30th September 2006. Regulation 20 allows a police authority to decide to retire a police officer if he has 35 years pensionable service, is 55 or over and their retention in the force would not, in their view, be in the general interests of efficiency. Regulation 21 allows a police authority to retire an officer on grounds of ill-health at any age and requires the authority to consider all relevant circumstances (which will include a medical report on the officer’s disability). Regulation 22 determines the formal date of retirement, which is normally immediately after the officer ceases to serve.

### **Part 3 Pensionable Pay And Contributions**

10. Part 3 of the regulations covers pensionable pay and defines aggregate pension contributions paid by officers. Regulation 23 defines pensionable pay as that to which the officer is entitled. Regulation 24 determines final pensionable pay, which is used to

calculate pension benefits. In most cases this is based on the best earnings within the ten years prior to retirement. Regulation 25 sets out the details of calculating average pensionable pay (which is then used to determine final pensionable pay under regulation 24). Average pensionable pay is based on full-time pay, even if the officer has only ever served part-time. Regulation 26 determines the calculation of aggregate pension contributions for the purpose of repayment (for example, under regulation 34); these are usually the total pension contributions paid by the officer.

#### **Part 4 Pension Awards**

11. Part 4 of the regulations is perhaps the most important Part, as it sets out the benefits which are payable under NPPS. Regulations 27 and 28 provide for the payment of a pension and lump sum to an officer who retires voluntarily (or compulsorily because of age or on the grounds of efficiency of the force) and how they are to be calculated. The ordinary pension is an annual sum of one-seventieth of final pensionable pay multiplied by the years of pensionable service, plus a lump sum of four times the initial annual pension.

12. Regulations 29-31 provide for the payment of a pension to an officer who is retired on the grounds of permanent disablement (referred to as an ill-health pension). For an ill-health pension to be payable:

- the officer must not have been opted out of NPPS at the date of ill-health retirement,
- the officer must not be ineligible for NPPS benefits payable on the ground of permanent disablement
- the officer must be under 55.

To be eligible for an ill-health pension, the officer must fulfil the qualifying service criterion under regulation 17, or be disabled as a result of an injury received without their default in the execution of their duty.

13. There are two levels of ill-health pension in NPPS:

- a standard ill-health pension, paid under regulation 30 when an officer is permanently disabled for the performance of the ordinary duties of a member of the police force; and
- an enhanced top-up ill-health pension, paid under regulation 31, which is paid in addition when an officer is permanently disabled from engaging in any regular employment.

The enhancement is expressed as a separate pension, to allow it to be terminated if the officer recovers sufficiently to engage in some regular employment other than in the police. It is calculated by enhancing pensionable service by up to half the officer's prospective service to age 55, applying a proportioning factor for officers who have served part-time during their current service. If an officer with some part-time service would have received a larger ill-health pension if he had retired earlier, the larger pension is paid instead.

14. Regulation 32 gives a deferred pension right to an officer who ceases to serve before retiring, or who opts out of NPPS, provided that he fulfils the qualifying service criterion. The deferred pension is payable at age 65 unless the officer is eligible for ill-health awards and becomes permanently disabled for any regular full-time employment, in which case it is normally paid immediately he becomes so disabled. Regulation 33 allows

an officer who is entitled to receive a deferred pension at age 65 to request that it be paid early with actuarial reduction, the reduction being as advised from time to time by the Scheme actuary.

15. Regulations 34 and 35 provide for a police officer's pension contributions to be refunded if he retires, ceases to serve, or if he opts out of NPPS after three months of appointment and has not taken a transfer value and is not entitled to any other NPPS award (with the exception of pension credit rights). Regulation 35 allows the police authority to deduct any tax which is due.

16. Regulation 36 provides for the reduction of pension benefits where the officer is subject to a pension debit (arising from pension sharing on divorce or dissolution of a civil partnership).

17. Regulation 37 gives an officer an option to exchange all or part of their lump sum on retirement to provide an increased annual pension for the officer, but not for their dependants. This gives additional flexibility to the officer in taking their pension benefits.

18. Regulation 38 sets out the circumstances in which a police authority may commute a small pension to a lump sum, if the officer gives consent.

19. Regulations 39-42 govern the payment of pensions to "survivors", who may be adults or children. Under regulation 40, adult survivors include spouses, civil partners and other adult partners (if certain conditions are met). The introduction of pensions for other adult partners is an important aspect of modernising pension provision. To qualify for a pension, an adult partner must be in an exclusive, committed and long-term relationship with the officer and must be financially dependent on the officer (or the two must be financially interdependent). Any child of the officer or any other child who is dependent on the officer at the date of their death may be eligible for a child's pension.

20. Under regulations 41 and 42, an adult survivor's pension is half of the officer's pension entitlement and a child's pension is one quarter (unless there are more than two eligible children, in which case each child receives half of the officer's pension entitlement divided by the number of children).

21. Regulation 43 relates to Guaranteed Minimum Pension (GMP) rights. These derive from service or employment in the period 6 April 1978 to 5 April 1997, so this regulation will only apply if a police officer has accrued GMP rights in previous service or employment and has transferred these into NPPS as part of previous pension rights. The regulation provides that if the officer reaches state pension age and their NPPS pension rights are less than their guaranteed minimum pension, the guaranteed minimum must be paid.

22. Regulations 44-47 make additional provision for awards on an officer's death. Regulation 44 gives discretion to the police authority to pay a gratuity when an officer dies while in receipt of a pension or while entitled to a deferred pension if he dies from an injury received in the execution of duty, or if he dies within two years of becoming entitled to the pension. The gratuity may be paid to any person dependent on the officer at the date of death. Regulation 45 provides that when an officer dies and their overall pension benefits are small, a death gratuity is paid to their estate to bring the value of the

total benefits up to the officer's aggregate pension contributions. Regulation 46 provides for the payment of a lump sum death grant of three times the officer's annual pay if he dies in service and regulation 47 allows the officer to nominate a person to receive it (which will only be effective if there is no spouse, civil partner or other adult partner at the date of death).

23. Regulation 48 ensures that when an officer who is a pension debit member dies any death gratuity under regulations 44 or 45 or lump sum death grant under regulation 46 is calculated by reference to the officer's reduced pension rights. Regulation 49 prevents duplication of awards by stating that if a person is entitled to receive more than one of a number of specified awards, in respect of the death of the same person, where the awards are based on the same period of an officer's pensionable service, only one award is to be paid and that this is to be the largest unless the person directs otherwise. Regulation 50 ensures that all NPPS pensions in payment are increased for inflation in accordance with the Pensions (Increase) Acts, as those Acts do not apply to survivor awards under these regulations.

24. Regulations 51-55 cover the exceptional circumstances under which a NPPS award may be revised, withdrawn or forfeited. Regulation 51 gives discretion to police authorities to review the payment of ill-health pensions (including deferred pensions paid early due to ill-health) in certain circumstances. If the pensioner's medical condition has ceased or changed significantly, the police authority has some discretion to vary the overall ill-health pension. In particular:

- if the officer's disablement for performing the ordinary duties of a member of the police force has ceased, the police authority may give the officer notice that he may rejoin the force at their former rank within three months;
- if an officer receiving an ill-health pension rejoins the force voluntarily or under any other circumstances, their ill-health pension terminates on rejoining;
- if an officer in receipt of an ill-health pension wilfully or negligently persists in refusing appropriate medical treatment for their condition, where that treatment would have been expected to cure that condition, the police authority may terminate payment of the pension;
- for an officer receiving an enhanced top-up ill-health pension, if it is found that their disablement for any regular employment has ceased, the entitlement to an enhanced top-up ill-health pension ceases but the standard ill-health pension remains payable;
- for an officer receiving a deferred pension paid early due to ill-health, if it is found that their disablement for any regular employment has ceased, early payments of the deferred pension must cease;
- for an officer receiving a standard ill-health pension, if it is found that their condition has worsened within five years of retirement such that he has become disabled for any regular employment, the officer becomes entitled to an enhanced top-up ill-health pension. No additional lump sum is payable. The five-year time limit does not apply if the officer is suffering from a progressive disease – these are listed in Schedule 4.

25. Regulation 52 allows a police authority to withdraw the whole or part of the pension paid to an officer during any period in which he rejoins the force after retirement. This is commonly known as "abatement". A survivor pension or a pension credit pension cannot be withdrawn under this regulation. Regulation 53 allows a police authority to reduce the

pension payable to an officer who becomes permanently disabled as a result of their own default, by up to half of the pension. An ill-health pension or a deferred pension paid early due to ill health may be reduced under this regulation. Regulation 54 states that if an officer is dismissed or is required to resign and becomes permanently disabled for any regular employment, any deferred pension cannot be paid early unless the police authority exercises discretion to do so.

26. Regulation 55 allows a police authority to determine that a pension payable to a person who has been convicted of specific serious crimes be forfeited (wholly or partly and permanently or temporarily). These crimes are:

- treason;
- offences under the Official Secrets Acts resulting in at least ten years' imprisonment;
- in the case of a police officer alone, offences committed in connection with police service that are certified by the Scottish Ministers to be gravely injurious to the State or liable to lead to a serious loss of confidence in the public service (e.g. the police service).

## **Part 5 Purchase Of Increased Benefits**

27. Regulations 56-60 allow a police officer to pay additional contributions to purchase additional pensionable service. This is limited to a maximum of five years and must not cause the officer's total pensionable service to exceed 35 years. The officer can select their planned date of retirement (provided that this is no earlier than their 55th birthday and no later than the date that he could be required to retire on grounds of age, on the basis that he remains in the same rank) and the number of added years to be purchased by that date. The additional contributions may either be paid by lump sum or otherwise by instalments, by increasing the percentage of pay deducted in pension contributions up to the planned date of retirement. The amount of the lump sum or additional contributions to be paid is calculated by the police authority from tables provided by the Scheme actuary. Before accepting an election to pay by instalments, the police authority can require the officer to have a medical examination (at their expense) to satisfy them of their good health. This is because if an officer retires on ill-health grounds or dies in service he will be credited with all of the added years rather than just those that have been bought at the date of death. However, if the payment of additional contributions is interrupted, due, for example, to financial hardship, and the officer retires on ill health grounds or dies, regulation 60 provides that only a proportion of the added years is credited.

## **Part 6 Pension Sharing: Pension Credit Members**

28. Regulations 61-64 cover the administration of pension credits. Pension credits arise when an officer is subject to a pension sharing order; the officer's pension rights are reduced (they become subject to a pension debit) and their ex-spouse gains NPPS pension rights as a "pension credit member". These are separate from any other NPPS benefits and have limited appeal rights. Pension credit pensions are not payable until age 65 and have the usual standard lump sum of four times the pension. The amount of the pension is calculated in accordance with guidance provided by the Scheme actuary. If the pension credit member becomes ill before they are 65 and has a life expectancy of one year or

less, the police authority may commute the whole of the pension credit entitlement to a lump sum of five times' the annual pension that would have been payable if the pension credit member were 65. If a pension credit member dies before benefits come into payment, a lump sum death grant (of three times' the annual pension payable) is paid to a surviving spouse or civil partner or otherwise, at the discretion of the police authority, to the pension credit member's estate.

## **Part 7 Medical Questions and Appeals**

29. Part 7 of the Regulations deals with appeals and medical questions. Regulation 65 provides that the entitlement to NPPS awards is determined in the first instance by the police authority. Regulation 66 gives a general appeal right to the Sheriff Court and regulation 67 states that the appeal right of inspectors of constabulary and officers engaged on "relevant service" (as defined in regulation 3) is to the Scottish Ministers. Regulation 68 provides that no appeal can be made against a decision of a police authority if the authority exercises discretion in a case where they are expressly permitted to do so and states that the final decision of a medical authority is binding in proceedings under regulation 66 or 67.

30. Regulation 69 provides that for the police authority to determine eligibility for ill-health pensions, they must obtain a report from the selected medical practitioner on the likelihood and likely timing of the officer becoming permanently disabled for the performance of the ordinary duties of a member of the police force, with a copy of the report being made available to the officer. Regulation 70 sets out the appeal rights against a police authority's decision that an officer is ineligible for ill-health awards. Notice of appeal must be given within 28 days of receiving notice of the police authority's decision and must be supported by a separate medical opinion disagreeing with the selected medical practitioner's report – this opinion is to be provided within two months of receiving notice of the police authority's decision (or longer if the police authority agrees). The selected medical practitioner is then asked to reconsider their report and to produce a revised report if necessary. If the officer is satisfied with the revised report, this report becomes final. If he is not, the police authority arranges for a third doctor to examine the officer, whose opinion is final.

31. Regulations 71-75 govern the assessment of whether an officer is permanently disabled, the procedures to be followed and the appeal procedures. Regulation 71 specifies the questions that are to be put to a duly qualified medical practitioner and requires their decision to be set out in a report, a copy of which is given to the officer. Regulation 72 allows a dissatisfied officer to appeal to a board of medical referees which, if it disagrees with the decision of the medical practitioner, issues its own report which is final unless there is further reference to a medical authority under regulation 73, which allows for the possibility of reconsideration of the decision. Regulation 74 sets out the procedure for appeals to a board of medical referees and provides that each party will normally bear its own costs. The appeal procedures differ slightly from those outlined in the regulations prepared by the Home Office for England and Wales because different contractors are used for the provision of medical boards. Regulation 75 provides that if a person wilfully or negligently refuses to attend a medical examination then the police authority have discretion to determine the medical question on such evidence and medical advice as they think necessary; and if this occurs on an appeal to the board of medical referees, the appeal shall be deemed to be withdrawn.

## **Part 8 Transfer Values Payment, Etc**

32. Regulation 76 defines “police authority” and “relevant police authority” for this Part. Regulation 77 provides for the transfer of pensionable service when an officer transfers from one force to another; the old force provides a certificate of pensionable service to the new force and no transfer value is payable. Regulation 78 controls the payment of transfer values from NPPS to other pension schemes when officers choose to transfer their pension benefits to another scheme. This is most likely to happen when an officer leaves the police service, but a transfer value will also be payable if an officer opts out of NPPS and transfers their police pension benefits to a personal pension plan. Such transfer values are calculated in accordance with guidance from the Scheme actuary (on the “cash equivalent transfer value” basis). Regulation 79 prohibits the payment or acceptance of transfer values in respect of NPPS pension credit rights, as these rights must remain in NPPS.

33. Regulation 80 allows for the reinstatement of pensionable service to an officer who transferred police pension rights to a personal pension plan as a result of pension mis-selling. It must now be unlikely that many, if any, such cases will arise.

34. Regulations 81-83 cover payment of awards. Regulation 81 states that NPPS awards are to be paid by the police authority and that pension credit pensions are paid by the ‘relevant police authority’ as defined by regulation 76. Regulation 82 carries over from the Police Pension Regulations 1987 the funds relevant to the payments made in relation to the scheme. This regulation is not replicated in the England and Wales regulations as the Home Office introduced a new financing regime for police pensions from April 2006. Regulation 83 governs the payment and duration of NPPS awards. Generally, pensions are payable monthly from the date of an officer’s retirement and survivor pensions are payable monthly from the death of the officer. Any award is normally only payable to the person entitled to it. Regulation 84 sets out the exceptional circumstances when a payment may be made to another person – these are when the beneficiary is a minor or is incapable of managing their affairs. This regulation also allows a police authority to withhold all or part of a NPPS award if a loss to the pension fund has occurred as a result of fraud, theft or negligence by the police officer in respect of whom the award is payable.

35. Regulations 85 and 86 relate to the lifetime allowance charge under section 214 of the Finance Act 2004, which places a limit on the amount of pension a person can receive over their lifetime without losing the tax privileged status on the pension. Regulation 85 specifies the circumstances in which the police authority may comply with a request by an officer to pay on their behalf any amount payable by way of the lifetime allowance charge. Regulation 86 specifies the circumstances in which the benefits payable to an officer shall be reduced to reflect an amount of tax paid by a police authority, where no request has been made under regulation 85 or such a request cannot be complied with.

## **Part 9 Special Cases**

36. Regulations 87 and 88 deal with alterations in police areas and the treatment of chief constables in such cases. Where forces are combined, the successor authority becomes responsible for pensions matters.

37. Regulations 89-95 relate to “servicemen”. A serviceman is a person who, immediately before undertaking a period of relevant service in the reserve forces, was a regular police officer. For the purposes of the regulations, periods of relevant service are treated like police service.

38. Regulation 90 entitles a serviceman who, at the end of their relevant service is permanently disabled for the performance of the ordinary duties of a member of the police force, to a standard ill-health pension. Regulation 91 provides that if a serviceman dies in service or when in receipt of an ill health pension, survivor benefits are payable under regulation 39. Regulation 92 applies the prevention of duplication under regulation 49.

39. Regulation 93 makes provision for the application of regulations 44 (death gratuities – dependants), 45 (death gratuity – estate) and 46 (lump sum death grant) to servicemen. Regulation 94 states that a serviceman who does not resume service in their former force within a month of ending their relevant service will be treated as having ceased to serve in the police at the date that their relevant service ended. Regulation 95 covers pensionable service and pension contributions. A serviceman’s relevant service counts as pensionable service in their former force if he pays pension contributions in respect of it. This requirement to pay contributions is removed if their service pay is less than their pensionable pay, but if the serviceman was purchasing added years by instalments of additional contributions, this liability continues during their period of relevant service.

40. Regulations 96 and 97 cover issues relating to England and Wales and Northern Ireland. Regulation 96 provides that when an officer transfers from an English or Welsh force or the Police Service of Northern Ireland to a force in Scotland, their pensionable service arising from service in England and Wales or Northern Ireland is to be reckonable as pensionable service in a home police force. Regulation 97 provides that when an officer transfers from a force in Scotland to England or Wales or Northern Ireland, their pensionable service will also transfer and they will no longer be entitled to an award under the regulations.

41. Regulation 98 gives effect to various minor amendments to the Police (Injury Benefit) (Scotland) Regulations 2007, which are set out in Schedule 5.