

POLICY NOTE

THE POLICE PENSIONS (CONTRIBUTIONS) AMENDMENT (SCOTLAND) REGULATIONS 2013

SSI 2013/89

The above instrument was made in exercise of the powers conferred by sections 1 to 8 of the Police Pensions Act 1976 and all other powers enabling them to do so. Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative procedure.

Policy Objectives

The Police Pension Regulations 1987 (SI 1987/257) and the Police Pensions (Scotland) Regulations 2007 (SSI 2007/201) require members of both police pension schemes to pay contributions to the relevant scheme as a condition of membership. Although the Scottish Ministers have responsibility for the police schemes, wider policy for occupational pensions is reserved to the UK Government.

The 2010 UK Spending Review set out the UK Government's intention to increase members' contribution rates in public service pension schemes by an average of 3.2 per cent of pay by April 2014 with the increases spread across three years. The first increase was applied with effect from 1 April 2012 and also introduced "tiered" contribution rates which reflect that higher earners generally receive larger scheme benefits from final salary defined benefit schemes. Following further consideration of this policy and whether there were any viable alternatives, Scottish Ministers determined to apply the second round of increases. The above instrument makes provision to apply the second stage of increases to the members' contributions from 1 April 2013.

The instrument also includes corrections to amendments made to the police pension schemes by the Police Pensions (Contributions) Amendment Regulations 2012 (SSI 2012/71).

Consultation

To comply with the requirements of section 1 (1) of the Police Pensions Act 1976 a formal consultation was undertaken which included the Police Negotiating Board from 24 January to 20 February 2013. The consultation was issued to representatives of police officers and employers and relevant Scottish and UK Government Departments. Staff associations remain opposed to any increases to members' contributions. 189 responses were received to the consultation and a summary of the consultation responses will be made available on the Scottish Public Pensions Agency website www.sppa.gov.uk.

Impact Assessments

An equality impact statement is being finalised for this instrument which builds on the assessment undertaken for the first year of members' contribution increases and will be published when finalised.

Financial Effects

The increases, as designed, are expected to raise in the region of an additional £7 million a year from 1 April 2013. This will add to the additional yields arising from the increases introduced from April 2012.

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

Scottish Public Pensions Agency
An Agency of the Scottish Government
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