
SCOTTISH STATUTORY INSTRUMENTS

2015 No. 142

The Police Pension Scheme (Scotland) Regulations 2015

PART 10

Contributions

Amount of pensionable earnings

158.—(1) For the purpose of determining the rate of member contributions under this Part, the amount of a member's pensionable earnings for any period is determined in accordance with this regulation.

(2) The amount of pensionable earnings for any pay period for a person in full-time service as a member of the police force means the rate of pay to which the member is entitled as such a member in that pay period, account being taken of any retrospective increase in that rate.

(3) The amount of pensionable earnings for any pay period for a member in part-time service is the amount of pensionable earnings that would be payable to that member in that pay period if the member were in full-time service.

(4) Unless paragraph (5), (6) or (7) applies, the amount of the member's pensionable earnings during any period of assumed pay is equal to the member's assumed pay.

(5) For any period of assumed pay under regulation 25(2)(a) (assumed pay - reduced pay), the amount of the member's pensionable earnings is equal to the member's reduced pay while on sick leave, paid adoption leave, paid maternity leave, paid parental leave, paid maternity support leave or paid adoption support leave.

(6) For any period of assumed pay under regulation 25(2)(b) (assumed pay - statutory pay), the amount of the member's pensionable earnings is the amount of statutory pay actually paid to or for the member in respect of the period of adoption leave, maternity leave, parental leave, maternity support leave or adoption support leave.

(7) For any period of assumed pay under regulation 25(2)(d) (assumed pay - permanent service), if the service pay is less than the rate of pay (account being taken of any retrospective increase in that rate) to which the member was entitled at the beginning of the period of permanent service, the amount of the member's pensionable earnings is equivalent to that rate of pay.

Annualised rate of pensionable earnings

159.—(1) For the purpose of this Part, a member's annualised rate of pensionable earnings is calculated in accordance with this regulation.

(2) Where a member's pensionable earnings for a scheme year are payable to the member in 12 instalments, the member's annualised rate of pensionable earnings is calculated as follows, rounded down to the nearest whole pound—

12P

where *P* is the amount of a payment of the member's pensionable earnings.

(3) Where a member's pensionable earnings for a scheme year are payable to the member otherwise than in 12 instalments, the member's annualised rate of pensionable earnings is calculated as follows, rounded down to the nearest whole pound—

$$P \times \frac{365}{N}$$

where—

P is the amount of a payment of the member's pensionable earnings; and

N is the number of days in the relevant pay period.

(4) For the purpose of paragraph (3), the relevant pay period is—

- (a) for the first payment of pensionable earnings, the period beginning on the member's first day of pensionable service and ending on the day before the day that this payment of pensionable earnings is made; or
- (b) otherwise, the period beginning on the day the previous payment of pensionable earnings was made and ending on the day before the day that this payment of pensionable earnings is made.

(5) If the scheme year in which the payment of pensionable earnings is made includes 29th February, paragraph (3) has effect with "366" substituted in place of "365".

Rate of member contributions

160.—(1) For scheme years falling between 1st April 2015 and 31st March 2019, an active member of this scheme must pay contributions to this scheme ("member contributions") on the member's pensionable earnings for each pay period at a rate determined under this regulation ("member contributions rate").

(2) The member contributions rate is 13.46% if the scheme manager determines under Chapter 4 of Part 4 that the member is eligible under this scheme for payment of ill-health benefits⁽¹⁾.

(3) The member contributions rate is 10.96% if the scheme manager determines under regulation 27 (determination of eligibility for payment of ill-health benefits) that the member is ineligible under this scheme for payment of ill-health benefits ("reduced member contributions rate").

(4) A reduced member contributions rate ceases to apply to a member from the date the scheme manager determines under regulation 28 (re-determination of eligibility for ill-health benefits) that the member is eligible under this scheme for payment of ill-health benefits.

Payment of member contributions

161.—(1) Member contributions for each pay period are to be deducted by the member's employer from the member's pensionable earnings for that pay period.

(2) A member's employer may make contributions on the member's behalf in circumstances determined by the scheme manager.

Option to pay member contributions for period of unpaid leave

162.—(1) This regulation applies in respect of an active member of this scheme who returns from a period of—

- (a) unpaid adoption leave;

(1) See Chapter 2 of Part 4 (determination of eligibility for ill-health benefits under this scheme).

- (b) unpaid maternity leave;
- (c) unpaid parental leave;
- (d) unpaid maternity support leave;
- (e) unpaid adoption support leave; or
- (f) unpaid sick leave.

(2) For the purpose of paragraph (1), unpaid leave does not include any leave in respect of which statutory pay is payable under the Social Security Contributions and Benefits Act 1992.

(3) The member may by written notice to the scheme manager opt to pay the amount of contributions that would have been payable for the period of unpaid leave.

(4) A member may exercise this option in relation to one or more periods of unpaid sick leave if—

- (a) each period of unpaid sick leave does not exceed 6 months; and
- (b) the total period of unpaid sick leave does not exceed 12 months.

(5) The option must be exercised by the earlier of—

- (a) the end of the 3 month period beginning with the day on which the member returns to work; and
- (b) the member's last day of pensionable service under this scheme.

(6) On receipt of a notice under paragraph (3), the scheme manager must calculate the amount of contributions payable and give the member a notice stating that amount.

(7) For the purpose of calculating the amount of contributions payable, the annual rate of the member's pensionable earnings is taken to be the rate that applied at the beginning of the period of unpaid leave.

Payment of member contributions for unpaid leave

163.—(1) Within 6 months after receiving a notice under regulation 162(6) ("payment period"), the member must pay to the scheme manager the full amount stated in that notice.

(2) If the member leaves eligible service before the full amount is paid, the member must pay the balance within 2 months of leaving eligible service, as long as this falls within the payment period.

(3) The amount may be paid by—

- (a) a lump sum payment made by the member; or
- (b) instalments deducted by the member's employer from the member's pay.

(4) If the full amount is not paid by the end of the payment period, the scheme manager taking into account the unpaid amount must determine the period of unpaid leave in respect of which the member is taken to receive pensionable earnings.

(5) The member is taken to have paid the full amount if—

- (a) the member dies within the payment period; or
- (b) the member dies—
 - (i) before the end of the 3 month period beginning with the day on which the member returns to work; and
 - (ii) before giving notice under regulation 162(3).

Employer contributions

164.—(1) Each employer of an active member of this scheme must pay contributions to this scheme in respect of the member at the rate of 23.1% of the member’s annualised rate of pensionable earnings (“employer contributions”).

(2) Employer contributions must be paid at the intervals the scheme manager in accordance with actuarial guidance may for the time being determine.

(3) In addition, the employer must pay the following charges to this scheme at the rate and at the intervals the scheme manager may for the time being determine—

- (a) annual administration charges;
- (b) any other administrative charges.

Deduction of payments for added pension under Schedule 3

165. Schedule 3 has effect for the purpose of enabling deductions of payments for added pension.

Refund of all member contributions and payments for added pension made by the member

166.—(1) This regulation applies in relation to a continuous period of pensionable service under this scheme (“the period of service”).

(2) If paragraph (3) applies, the scheme manager must refund all member contributions and payments for added pension made by the member in relation to the period of service.

(3) This paragraph applies if—

- (a) the member opted out under regulation 22 (opting out before the end of the initial period of eligible service); or
- (b) the member’s pensionable service ceases and—
 - (i) the member has less than 2 years’ qualifying service; and
 - (ii) if a transfer payment has been received by this scheme in relation to the member, it was from another occupational pension scheme.

(4) Member contributions and payments for added pension made by the member are not refundable if—

- (a) a transfer payment has been made in respect of the member’s accrued rights to benefits under this scheme; or
- (b) a retirement pension has become payable to the member in respect of the period of service.

(5) If paragraph (3)(b) applies, the member is entitled to be paid an amount equal to the sum of all member contributions and payments for added pension made by the member, less an amount equal to the income tax payable under section 205 (short service refund lump sum charge) of FA 2004(2) as a result of a refund of those contributions and payments.

(6) If all member contributions and payments for added pension made by the member are refunded under this regulation, the member’s rights under this scheme in relation to the period of service are extinguished.

(7) For the purpose of an appeal to the sheriff under regulation 197 or an appeal to a tribunal under regulation 198, a person is taken to claim payment of a refund of contributions and payments under this regulation if the conditions in paragraph (3) are met.

Member repays refund of contributions on rejoining this scheme

167.—(1) This regulation applies to a member who—

- (a) was in pensionable service under this scheme (“earlier period of service”);
- (b) received a refund under regulation 166 (refund of all member contributions and payments for added pension made by the member) in relation to that earlier period of service; and
- (c) after a gap in service not exceeding 5 years, re-joins this scheme.

(2) If within 6 months after re-joining this scheme (or any longer time the scheme manager determines) the member repays to the scheme manager the amount of the refund received under regulation 166, the active member’s account must be adjusted to specify the amount of accrued earned pension as at the last day of pensionable service for the earlier period of service.