

## SCHEDULE 1

### AMENDMENTS OF THE POLICE PENSIONS REGULATIONS 1987

12. After Part L there shall be inserted the following Part—

#### “PART M

#### PENSION CREDIT MEMBERS

##### **Pension credit member’s entitlement to pension**

**M1.**—(1) Subject to regulations M2 and M3 (commutation), a pension credit member is entitled to a pension for life which becomes payable—

- (a) when he attains normal benefit age, or
- (b) if it is later, when the pension sharing order under which he is entitled to the pension credit takes effect.

(2) The pension must be of such an amount that its actuarial value is equal to the member’s pension credit, as calculated from tables prepared by the Government Actuary and in accordance with regulations made under paragraph 5(b) of Schedule 5 to the 1999 Act.

##### **Commutation: general provision**

**M2.**—(1) Subject to regulation M3, a pension credit member may opt to commute for a lump sum a portion of the pension (not exceeding one-quarter) to which he is entitled under regulation M1—

- (a) when he attains normal benefit age, or
- (b) if it is later, when the pension sharing order under which he is entitled to the pension credit takes effect.

(2) The lump sum under paragraph (1) is the actuarial equivalent of the commuted portion of the pension, calculated from tables prepared by the Government Actuary.

(3) But the lump sum may not exceed the annual rate of the pension as at the time when it first becomes payable (disregarding any reduction under this regulation or any other provision of the Scheme), multiplied by 2.25.

(4) This rule does not apply to a pension derived from pension credit rights if the pension debit member from whose rights the pension is derived has received a lump sum under rule B7 before the date on which the pension sharing order takes effect.

(5) A person who wishes the relevant police authority to commute a pension under paragraph (1) must not later than six months after—

- (a) the date on which the person attains normal benefit age, or
- (b) the date on which the pension sharing order takes effect,

whichever is the later, give the relevant police authority written notice of commutation, specifying the portion to be commuted.

(6) Notice of commutation takes effect on the later of—

- (a) the date on which the pension under regulation M1 becomes payable, and
- (b) the date on which it is received by the police authority.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

(7) When a person's notice of commutation takes effect, the relevant police authority shall—

- (a) reduce the pension, as from the effective date, by the commuted portion, and
- (b) pay him the lump sum, reduced where the effective date is the date of receipt of the notice by the difference between the aggregate payments made in respect of the pension and the aggregate payments that would have been made in respect of it if it had been reduced from—
  - (i) the date on which the person attains normal benefit age, or
  - (ii) the date on which the pension sharing order takes effect,whichever is the later.

### **Commutation of the pension credit benefit: small pensions and serious ill-health**

**M3.**—(1) The relevant police authority may commute the pension to which a pension credit member is entitled under regulation M1 for a lump sum in accordance with the following provisions of this regulation.

(2) If the pension credit member is suffering from serious ill-health before normal benefit age—

- (a) the whole of the pension may be commuted, and
- (b) the lump sum under paragraph (1) is an amount equal to the annual rate of the pension as at the time when it first becomes payable, multiplied by 5.

(3) If the aggregate of total benefits payable to the member, including those attributable (directly or indirectly) to pension credit rights, does not exceed £260 per annum at normal benefit age—

- (a) the whole of the pension may be commuted when the pension credit member attains normal benefit age or when the pension sharing order takes effect if that is later, and
- (b) the lump sum under paragraph (1) is the actuarial equivalent of the commuted pension, calculated from tables prepared by the Government Actuary.

(4) Where a pension is commuted under this rule, the payment of the lump sum discharges the relevant police authority from all liability in respect of benefits payable to or in respect of the pension credit member.

(5) In this regulation “serious ill-health” means ill-health giving rise to a life expectancy of less than one year.

### **Death grants where pension credit member dies before pension credit benefits payable**

**M4.**—(1) If a pension credit member dies before any benefits deriving from the member's pension credit have become payable to him under these Regulations, a lump sum death grant is to be paid of an amount equal to the annual rate of the pension to which the member would have been entitled under regulation M1 if he had attained normal benefit age on the date of his death (as calculated in accordance with guidance prepared by the Government Actuary), multiplied by 2.25.

(2) The lump sum is payable—

- (a) if the member is survived by a spouse who is not ineligible under paragraph (3), to that spouse, and
- (b) otherwise to the member's personal representatives.

- (3) A spouse is ineligible for the purposes of paragraph (2) if—
  - (a) the deceased and the spouse were separated by an order or decree of a competent court at the time of the member’s death,
  - (b) the deceased was not required by such an order to contribute to the support of the spouse or to the spouse for the support of a child of the spouse, and
  - (c) the deceased was not in fact regularly so contributing.

**Application of general regulations**

**M5.**—(1) The provisions specified in paragraph (2) apply to pension credit members and awards payable to or in respect of them, but apart from where provision is made by this Part or a contrary intention is otherwise indicated—

- (a) these Regulations do not apply to pension credit members as such or to benefits payable to or in respect of them as such,
  - (b) the benefits payable to or in respect of pension credit members as such are not aggregated for any purpose with benefits payable to or in respect of those persons in any other capacity, and
  - (c) the benefits payable to or in respect of pension credit members deriving their pension credit benefits from one pension debit member are not aggregated for any purpose with benefits payable to or in respect of those persons as pension credit members deriving their pension credit benefits from any other pension debit member.
- (2) Those provisions are—  
regulation H5 (appeals by a member of a home police force),  
regulation H6 (appeals by overseas policeman etc.),  
regulation H7 (limitations on appeals), and  
regulation L2 (funds out of which and into which payments are to be made).
- (3) In the application of regulations H5 to H7 and L2 by virtue of this regulation—
  - (a) those regulations apply as if the references to the police authority were references to the relevant police authority, and
  - (b) the references in regulations H5 and H6 to a person claiming an award in respect of a member of a particular description to whom that regulation applies include references to a pension credit member whose pension credit is derived from the rights of a pension debit member of that description.”.