

A decorative graphic in the top left corner consists of a complex, overlapping grid of lines in light blue and red, forming a series of interconnected hexagonal and rectangular shapes that recede into the background.

NPCC Police Pensions Update

18 April 2024

Clair Alcock

NPCC Police Pension Advisor

Immediate Choice – Numbers

37,511 pensioner members to receive an immediate choice **before 31 March 2025**

- Of the total membership 81% are expected to **retain** current benefits

Protection status

- 82% of pensioners are protected
- 14% taper protected
- 5% Unprotected

1987 IC pensioner members – expected to change their benefits

- 4,813 – Tapered (13%)
- 1,520 – Unprotected (4%)

IC-RSS – Progress

IC-RSS template provided in December

- Testing progress
- Feedback

Data progress?

- Scheme/Financial Data
- GAD Data

IC-RSS – Tax on Interest



Wording to explain tax on interest for members – [Bulletin 6](#)



Still needed

GAD commercial rate interest calculator

Confirmation from HMRC on how to tax pension arrears interest payment

Confirmation from HMRC on how to calculate authorised/unauthorised lump sums



Legal advice confirms treatment of interest as SAMP payments is correct.



CC Jeremy Vaughan has written to HMT and HMRC Letter available on [Khub](#)



In the meantime will require judgment based decision making



Co-hort knowledge essential, do you know who might be considered vulnerable (ie ill-health)

Scheme Sanction Charge

Issued to all CFOs – 3rd April 2024

Legal advice to refund, no circumstance where valid not to refund.

Interest should be paid at 1% plus base rate

A base rate of 2% fairly reflects the average over the period in question

Contribution adjustments

Well-worn aspect of remedy, to be returned to the legacy scheme, the contributions have to be adjusted from those that were paid into the 2015 scheme during the remedy period to the legacy scheme. For the 1987 scheme this means paying more and for the 2006 scheme this will mean a compensatory refund of overpaid contributions.

Contributions that are owed by the member

- +Will be increased by adding interest at the NS&I rate
- -And will be reduced by the application of tax relief for the additional contributions

Contributions that are owed to the member

- +Will be increased in value by adding interest at 8%
- -Will be reduced in value by deducting tax relief already claimed

Contribution adjustments are explained in this member remedy factsheet - <https://policepensioninfo.co.uk/wp-content/uploads/2024/01/NPCC-Member-Remedy-Factsheet-Contributions-adjustments.pdf>

Contribution adjustments



Established treasury policy from the start that interest would accrue on owed contributions from members and be paid on contributions owed to members.

The NPCC as part of SAB responded to the consultation both separately and as part of the SAB to say they didn't support interest being charged on contributions where they were owed by members.



The [FAQs](#) on the website cover the treasury policy on interest, and link to the [treasury letters between GAD and treasury](#) in setting the policy on interest.



NPCC took legal advice on the application of applying interest to the contributions, and the advice was that this is not discriminatory.



The policy position for repaying the contributions, is that members will have a three-month window from the date of the RSS to repay any contributions, if they want to, however they can also wait until they retire and pay these from the lump sum.

It may be worth noting that to calculate the amounts of contributions owed including interest, is the responsibility of the force. XPS or other administrators will have issued some deadlines as to when they need this information, and it is important to comply.



We are preparing further communications for members to help them understand their contribution choices

Will include modelling and an animation video.

HMRC digital service



The calculator has been 'shuttered'



No known timescale for reinstatement

Please do let us know of urgent cases



Discussing as a matter of urgency with HMRC what the escalation routes are



NPCC has submitted a business case to HMT for an all-encompassing digital solution

Available on [Khub](#)

Boosting remedy knowledge



MEMBERS



EMPLOYERS



ADMINISTRATORS

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