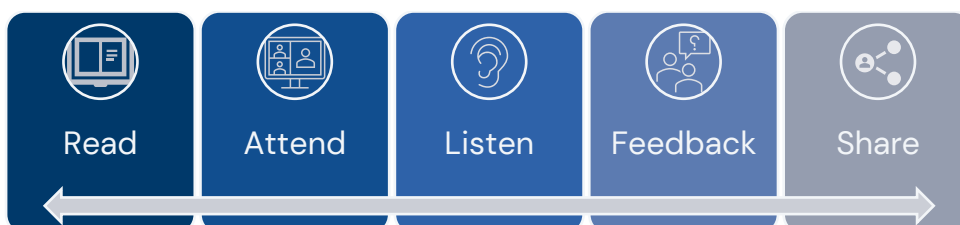


# NPCC Police Pensions Bulletin 16 – 13/02/2025

## Welcome

We would like to welcome all our readers to the NPCC Police Pensions Bulletin number 16. Email [nppcpensions@npcc.police.uk](mailto:nppcpensions@npcc.police.uk) to be added to the mailing list.

Please ensure that you read this bulletin, carry out any actions, escalating items / alerting colleagues where necessary, and circulate / discuss this bulletin with other colleagues in your organisation, and let us know if you have any questions.



## Actions for Local Pension Boards

- Review the [bulletin actions tracker](#) and complete as necessary.
- Add the [RSS issuance plans](#) to your agenda for discussion.
- Ensure the [regular McCloud remedy data requests](#) are completed and added to pension board agenda for discussion / review.
- Download and complete the [checklist actions for Pensions Dashboards](#).

## Actions for Scheme Managers

- Review the [bulletin actions tracker](#) and complete as necessary.
- Discuss with pension administrator [outstanding RSS cohorts, plans and progress](#).
- Review any existing contingent decisions to see if they fall into the scenarios outlined in the [new guidance](#) and if they do ACTION the contingent decision information to be sent to the member.
- Ensure the [regular McCloud remedy data requests](#) are completed and sent to NPCC. Please note the slightly amended format and additional request on the RSS data.
- Review any cases where [benefits are to be paid before divorce guidance is finalised](#) and determine the course of action.
- Review [SDES files received](#) and determine appropriate force if the member is no longer with you.
- Ensure the [Requirements to consider SMP reports](#) is properly understood and processes are in place to comply.

The material in this bulletin is not designed for members

- Download and complete the [checklist actions for Pensions Dashboards](#).

## Actions for Pension Administrators

- Review the [bulletin actions tracker](#) and complete as necessary.
- Discuss with the scheme manager the [outstanding RSS cohorts, plans and progress](#).
- Provide reports to the scheme manager to enable them to complete the [RSS return](#), please note the slightly amended format and additional request.
- Discuss with the scheme manager any contingent decisions that can be processed under the [new guidance](#).
- Discuss with the scheme manager any cases where [benefits are to be paid before divorce guidance is finalised](#) to determine the course of action.
- Download the [2025 ABS/DBABS-RSS templates](#) and ensure these are updated onto your systems for 2025.
- Download and complete the [checklist actions for Pensions Dashboards](#).
- Review the [matching policy slides](#) for Pensions Dashboards.
- Download and utilise the [Ill-Health underpin communication template](#) wording and the FAQ document.

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## Bulletin actions tracker

The [bulletin actions tracker](#) has been updated with the headings and actions from this bulletin.

There are four tabs for your use in the bulletin headings and specific action checklist:

Tab	What is it?
Bulletin headings	<ul style="list-style-type: none"> <li>• Provides a link to the K-Hub entry for each bulletin</li> <li>• Gives each heading and sub heading from each issue</li> </ul>

	<ul style="list-style-type: none"> <li>Indicates whether there is a specific action for each item and if so, who has the action</li> </ul>
Actions – Pension Board	<ul style="list-style-type: none"> <li>Lists every specific action that has occurred in each bulletin that is for the local pension board</li> <li>Provides space to record the owner, add some notes and to enter a date completed</li> </ul>
Actions – Scheme Manager	<ul style="list-style-type: none"> <li>Lists every specific action that has occurred in each bulletin that is for the scheme manager</li> <li>Provides space to record the owner, add some notes and to enter a date completed</li> </ul>
Actions – Administrator	<ul style="list-style-type: none"> <li>Lists every specific action that has occurred in each bulletin that is for the pension administrator</li> <li>Provides space to record the owner, add some notes and to enter a date completed</li> </ul>

## Latest updates for McCloud remedy

### Issuance of RSS'

In last month's bulletin, we asked all scheme managers and pension administrators to discuss their plans for the issuance of RSS' by the statutory deadline.

We also asked all pension administrators to send NPCC an email by 24 January confirming these plans, identifying any cohorts where the statutory deadline would not be met.

**We were very dismayed to note that we did not receive one single email from any administrator about this.**

On 6 February we held a meeting for all non XPS-administrators to discuss their plans for the issuance of RSS' by 31 March 2025.

- Hampshire Pension Services were unable to attend, but did provide an update via email in advance of the meeting
- Essex Pension Fund did not attend the meeting and so far, have not communicated their plans to us.

We have been able to provide an update to the Home Office confirming that we are encouraged to hear that generally really good progress is being made and that administrators are confident that the majority of unprotected and taper members<sup>1</sup> will receive a statement by the 31 March 2025 statutory deadline.

<sup>1</sup> Those most likely to opt for legacy benefits and receive a top-up payment.

Some administrators have indicated they may need to take a decision to issue statements for protected members<sup>2</sup> after the statutory deadline.

The main concerns lie with rolling back members who have had a divorce or transfer, members with missing data which prevents rollback and processing of unauthorised cases with scenarios that the guidance does not cover.

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## Contingent Decisions

You will be aware that NPCC asked you to pause providing information to members in relation to their Contingent Decision claim for Opted-Out Service where the member's legacy scheme was PPS 1987. This was because the PSPJOA 2022 was found to be returning members to the PPS 2006 scheme only as that was the only relevant scheme.

The pause was put in place to enable the Home Office and HM Treasury to seek some legal advice. They have now received that legal advice and whilst we are not able to clarify the entire position yet there is one part that we can.

**Members who opted out on or after 1 April 2015 and did not rejoin during the remedy period, currently their relevant legacy scheme is the PPS 1987.**

So, for cases where a member opted out in the remedy period (on or after 1 April 2015) and either did not rejoin at all, or only rejoined on or after 1 April 2022, these can be processed, and the member can be returned to the PPS 1987.

An email was sent to scheme managers, remedy leads and administrator lead contacts on 29 January 2025 and a [news item](#) has been added to the website to provide this update to members.

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## Compensation

We received a query, which we raised at a cross Whitehall compensation call, about whether compensating a member for advice in choosing options or making a submission was taxable as a Benefit in Kind. HMRC have confirmed the following:

*Schemes will need to consider the basis on which they are paying compensation. Where compensation is paid under Part 1 of PSPJOA and in accordance with HMT directions, then regulation 44 of Finance Act 2020 makes provision to exempt these compensation payments from income tax.*

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<sup>2</sup> Those most likely to see no change in the pension they receive.

*If there is a specific power or compensation type not covered by the above that you require specific advice on, then we would need a more detailed analysis of the type and the powers under which the scheme is making the payment.*

NPCC are therefore comfortable that advice / support to use the HMRC digital service is covered by the compensation in the Act and therefore we do not see that this would be treated as a Benefit in Kind.

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## GAD guidance – Divorce

GAD guidance for divorce has been split into Prospective and retrospective guidance.

### ***Prospective divorce guidance***

For divorce cases that commenced on or after 1 October 2023.

- The calculation date for the initial Cash Equivalent (CE) provided to the court to take into account when making the Pension Sharing Order (PSO) was on or after 1 October 2023.
- In December 2024, GAD issued draft guidance to the Home Office and are currently engaging with NPCC and police scheme administrators on that draft. GAD expects to issue final guidance during February 2025.

### ***Retrospective divorce guidance***

For divorce cases that commenced before 1 October 2023.

- The calculation date for the initial Cash Equivalent (CE) provided to the court to take into account when making the Pension Sharing Order (PSO) was before 1 October 2023.
- GAD expects to issue guidance during March 2025.

## Considerations before guidance finalised

If benefits are due to come into payment before the divorce guidance is finalised scheme managers should consider the options below so that member can receive payment of their benefits.

### **1. Cases where the pension debit member was unprotected and the PSO related only to legacy scheme benefits**

There will be no debit applied in respect of remediable service (even if the PDM makes a legacy scheme election).

Consequently, in these cases:

Pension Debit Member (PDM)	Pension Credit Member (PCM)
<p>The legacy scheme pension debit (related to service before 1 April 2015) will be unaffected by McCloud remedy, and that debit will be applied whether the member makes a legacy scheme election or a reformed scheme election.</p> <p>For example, if the pension debit was calculated to be £1,000 per year at the time of the divorce based on the pre-McCloud remedy benefits, that debit of £1,000 per year should be revalued to retirement and applied regardless of whether the member makes a legacy scheme election or a reformed scheme election: there is no increase to the debit if the member makes a legacy scheme election under McCloud.</p>	<p>The pension credit will be unaffected by McCloud remedy.</p> <p>The pension credit calculated at the time of the divorce based on the pre-McCloud remedy benefits can be put into payment as usual.</p>

## 2. Pension credit cases coming into payment before the divorce guidance is finalised

Scheme managers may put the PCM's benefits into payment based on the pre-McCloud pension credit calculated at the time of the divorce.

As part of the McCloud remedy, it will be necessary to rework the PSO using the forthcoming divorce guidance. This process might result in an uplift to the PCM's benefits (although in some cases the PCM's benefits will be unchanged).

This process is outlined in the Home Office's McCloud remedy: phase two (retrospective) consultation document:

*"If it [i.e. the CETV allowing for McCloud remedy] is higher than the CETV originally calculated, a portion of the additional amount in the same proportion as specified in the PSO will be converted to an additional pension credit and awarded to the pension credit member."*

## 3. Pension debit cases coming into payment before the divorce guidance is finalised

The scheme manager may use their discretion under regulations pay benefits assuming that the member makes a legacy scheme election in advance of issuing an RSS.

If the scheme manager wants to make use of this discretion to pay benefits, the scheme administrator should provide the details listed below to NPCC by email to [npccpensions@npcc.police.uk](mailto:npccpensions@npcc.police.uk). GAD will then provide guidance on how the debit applies to the member's benefits, assuming that the member makes a legacy scheme election. When the divorce guidance is finalised, it will still be necessary to issue an RSS to the member.

**Data to be provided:**

- i. Date initial CE provided to the court (i.e. the CE the court was using in determining the pension sharing order)
  - ii. Transfer day (i.e. the effective date of the pension sharing order)
  - iii. Legacy scheme (i.e. PPS 1987 or PPS 2006)
  - iv. PSO percentage legacy scheme
  - v. PSO percentage reformed scheme
  - vi. McCloud protection status (protected, taper protected, unprotected)
  - vii. If taper protected, the taper date
- 

## HMRC Digital Service

We have been made aware of an issue for some members who use the HMRC digital service if they have a previously paid annual allowance tax charge with a different force during the remedy period to their most current force.

The member will need to enter the Pensions Scheme Tax Reference (PSTR) of the relevant scheme relating to when the tax charge was paid. This is because the member will have completed a self-assessment and, if they chose scheme pays, the PSTR will have been entered. HMRC will be matching this with the information provided in the HMRC Digital service. They will contact the member if they cannot trace payment under the PSTR the member provided.

In addition, HMRC will send any details about any compensation due via SDES to the original scheme, rather than the most current one. This means that scheme managers may receive SDES files relating to members that they are no longer responsible for.

We are in discussions with HMRC about possible solutions and ways of working to deal with these issues and we are currently writing confirmation on a couple of areas from both HMRC and HMT. We will provide some notes about these processes in due course.

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## Annual Benefit Statement Remediable Service Statements

The Annual Benefit Statement Remediable Service Statements for both active members (ABS-RSS) and deferred members (DBABS-RSS) have been through a period of consultation for review. Thank you to those that provided feedback.



There are clean and tracked versions available, as well as an option to have a layered NPCC logo, rather than an embedded one, which will make it easier to replace the NPCC logo with your own pension administrator logo.

The templates for 2025 have now been finalised and [active members](#) and [deferred members](#) can be found on [K-Hub](#).

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## Regular McCloud remedy data requests

**Please ensure that someone at your force is collating this information**, we recommend that Local Pension Boards include this on their agenda.

Completed returns should be emailed to [npccpensions@npcc.police.uk](mailto:npccpensions@npcc.police.uk).

## RSS monthly reporting

The [RSS monthly data request](#) for RSS' issued in January 2025 is now due.

**Please note the slightly amended format for this month and the additional request for the outstanding number of RSS' in each category.**

## Contingent Decision quarterly reporting

The [Contingent Decision quarterly request](#) for Q3 2024/25 is now due.

## Compensation quarterly reporting

The [compensation claims reporting](#) for Q3 of 2024/25 is now due.

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## Police Pension Website

### News page

There have been three news updates since the last bulletin.

- [24 January 2025 – Response from HMRC about self-assessment deadlines](#)
  - [24 January 2025 – Information for members about reporting their annual allowance tax charges](#)
  - [29 January 2025 – Update on Contingent Decision pause](#) providing a summary of the current position, along with how the position is reached within the legislation and which members fall outside of the scenario
- 

## Pensions Dashboards

The NPCC Dashboard Working Group have produced some material to aid the sector.

## Checklist

A Pensions Dashboards checklist has been compiled to help all stakeholders prepare for Dashboards. The checklist covers actions for Local Pension Boards, Scheme Managers and Pension Administrators.

The checklist uses all available checklists from The Pension Regulator, PASA, along with some useful additions from the group and has been made relevant for police management and administration.

All stakeholders are urged to review their actions and to ensure that these are tracked and carried out as applicable. The checklist can be found on the [K-Hub](#).

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## Matching criteria

Some information has been prepared to help explain what “Find data” is and then how to use this to set your matching policies. This is essentially how a member will verify their identify and then how this information will be matched to the pension record for the member.

Every pension administrator will need to have set their own matching policy, and this will be based on the quality of the “find data”. In setting this policy, consideration will also need to be given to what gives the best match outcomes and the process for dealing with partial matches. The slides which were correct at the time of publication can be found on the [K-Hub](#).

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## AVCs

NPCC have held meetings with both Utmost Life and Standard Life AVC providers. This has been facilitated to ensure that the providers are linking in with each of the pension administrators.

A reconciliation will need to be carried out with each provider to ensure that the member’s details are up to date on both sets of records.

Utmost Life intend to send their data annually to each pension administrator who will then have to connect the AVC data to Dashboard along with the police pension scheme data. Whereas Standard Life will be connecting their own data to the Dashboard.

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## Technical queries, information and police pension updates

If you have a query that you want to raise with the NPCC Police Pensions Team, please send an email to [npccpensions@npcc.police.uk](mailto:npccpensions@npcc.police.uk) we can then ensure that the query is picked up by the most appropriate team member.

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### Ill Health Underpin

We know that pension administrators are currently working through the rectification process as outlined in the [technical note](#) that was published in bulletin 14.

We have produced some communications to help explain this to members, along with some FAQs. These have been agreed by the Administrator Technical Forum and are now available for all administrators to use to aid the communication of this error to members. The communication template wording and FAQs are available on [K-Hub](#).

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### Requirements to consider SMP reports

The Police Pension Authority (PPA) must not ‘act blindly’ on acceptance of a Selected Medical Practitioner (SMP) report.

While the rules determine that the opinion of the SMP is binding on the PPA, they firstly determine that the PPA is the ultimate decision maker. Therefore, the PPA needs to ensure processes are in place to question whether the decision has been made properly and the SMP is in receipt of all the appropriate medical evidence.

In order to ensure that the PPA has not ‘acted blindly’, they should ensure they do not simply accept the advice of the SMP without going through the report, reading it to make sure it makes sense and then asking clarification questions if something is missing or the SMP does not appear to have considered the right questions as per the requirements of the regulations.

This is not to say that the PPA should go against the SMP decision, but rather they should satisfy themselves that they have asked pertinent questions and obtained all relevant medical evidence with a view to having a better understanding of the medical evidence and ensuring that the medical evidence addresses the requirements of the regulations. Local Pension Boards should ensure that scheme managers have the appropriate processes in place.

This is also consistent with employment law, under which it would be unreasonable/unfair to act on a flawed medical report.

[Top of the Document](#)

Case law further supports the argument that the decision maker must not act blindly in accepting a medical opinion and should ensure the SMP reaches their opinion in a proper manner.

- [Court judgment](#) for the police scheme that the Police Authority is the ultimate decision maker not the Selected Medical Practitioner.
- [PO-9253](#) (para 32) demonstrates that decision makers have a responsibility when seeking and taking medical advice and should not just rely on it at face value.
- LGA firefighters' pension [bulletin 13](#) discusses a pensions ombudsman adjudicator case, where the adjudicator found the Fire & Rescue Authority (FRA) to have 'acted blindly' on their acceptance of an Independent Qualified Medical Practitioner (IQMP) report. The adjudicator instructed the Authority to appoint a new IQMP and reconsider the case.

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## Other useful updates

### Consultation responses

#### Inheritance tax on pensions

NPCC submitted a response to the HMRC consultation about Inheritance Tax on Pensions. This can be found on [K-Hub](#).

#### Member Contribution Structure amendments

NPCC submitted a response to the Home Office consultation about the amendments to the member contribution structure. This can be found on [K-Hub](#).

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### HMRC bulletins

On 23 January 2025, HMRC published [newsletter 166](#) this contains a number of updates, of note are the deadlines for members to apply for lifetime allowance protections and enhancements and information to members about completing their Self-Assessment for 2023/24.

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### Public Service Pension Scheme Indexation and Revaluation 2025

A [Written Ministerial Statement HCWS437](#) was published on 11 February 2025 by the Chief Secretary to the Treasury.

This confirms that: -

- Public Service Pensions will be increased from 7 April 2025 by 1.7% in line with the annual increase in the Consumer Price Index at September 2024

(except those that have not been in payment for less than a year, which will receive a pro-rata increase.) The [2025 Pensions Increase multiplier tables](#) are available on GOV.UK.

- For the Police Pension Scheme the CARE revaluation date is 1 April 2025 and are based on CPI + 1.25% making the revaluation will be 2.95%.

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## Useful links

NPCC webpages	K-Hub	Other
<a href="#">Police Pension Info</a>	<a href="#">Pensions chat index &amp; slides</a>	<a href="#">Previous years PI multiplier tables</a>
<a href="#">Latest News and Updates</a>	<a href="#">Bulletin index and slides</a>	<a href="#">HMRC Pension Schemes newsletters</a>
<a href="#">FAQ page</a>	<a href="#">Annual Statutory Instruments</a>	<a href="#">NS&amp;I Historical rates</a>
<a href="#">Member Remedy Documentation</a>	<a href="#">Remedy toolkit information</a>	<a href="#">NS&amp;I interest rates – current</a>
		<a href="#">HMRC Digital Service</a>

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## Meeting updates

Minutes of meetings / slides published since last bulletin

- Pensions Dashboard Working Group: [9 January 2025](#).
- Pensions Chat: [9 January 2025](#)
- Administrator Technical Forum: [13 January 2025](#).
- Pensions Chat: [30 January 2025](#).

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## Vacancy on working group

We have a vacancy on our Pensions Dashboard Working Group. If you are interested in joining this group, please email Claire Neale ([Claire.neale@npcc.police.uk](mailto:Claire.neale@npcc.police.uk)) in the first instance.

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## Upcoming meeting dates

Everyone is welcome to attend Pensions Chat as these are fortnightly verbal updates for all stakeholders. All other meetings are by invitation only, but minutes and associated papers may be useful to all stakeholders.

NB: \*Until invites are set out, dates and times for meetings may be subject to change

Meeting	Next meeting date
<b>Pensions chat</b> Previous session slides on <a href="#">K-Hub</a>	<ul style="list-style-type: none"> <li>13 February 2025 at 2.30pm</li> <li>27 February 2025 at 2.30pm*</li> <li>13 March 2025 at 2.30pm*</li> </ul>
<b>Police Pension Scheme Advisory Board England and Wales (SAB)</b>	<ul style="list-style-type: none"> <li>1 April 2025 10.30am to 2.30pm</li> <li>10 July 2025 10.30am to 2.30pm</li> <li>14 October 2025 10.30am to 2.30pm</li> </ul>
<b>Scheme Manager Steering Group (SMSG)</b>	<ul style="list-style-type: none"> <li>3 March 2025 3pm to 4.30pm</li> <li>24 April 2025 1pm to 2.30pm</li> </ul>
<b>Remedy Implementation Working Group</b> All papers and action log on <a href="#">K-Hub</a>	<ul style="list-style-type: none"> <li>4 March 2025 10am to 11.30am</li> </ul>
<b>Pensions Dashboard Working Group</b> All papers and action log on <a href="#">K-Hub</a>	<ul style="list-style-type: none"> <li>20 February 2025 2pm to 3.30pm</li> <li>3 April 2025 2pm to 3.30pm</li> </ul>
<b>Administrator Technical Forum</b> All papers and action log on <a href="#">K-Hub</a>	<ul style="list-style-type: none"> <li>18 March 2025 10am to 11.30am</li> </ul>
<b>Single Scheme Manager: Local Arrangements Project Board (LAPB)</b>	<ul style="list-style-type: none"> <li>10 March 2025 1.30pm to 3pm</li> <li>24 April 2025 10am to 11.30am</li> </ul>

## Contacts

Role	Name	Email address
Head of Police Pensions	Clair Alcock	<a href="mailto:Clair.alcock@npcc.police.uk">Clair.alcock@npcc.police.uk</a>
Police Pension Advisor	Kevin Courtney	<a href="mailto:Kevin.courtney@npcc.police.uk">Kevin.courtney@npcc.police.uk</a>
Police Pension Advisor	Claire Neale	<a href="mailto:Claire.neale@npcc.police.uk">Claire.neale@npcc.police.uk</a>
Technical queries	NPCC Pensions Team	<a href="mailto:npccpensions@npcc.police.uk">npccpensions@npcc.police.uk</a>