



# Pension Chat

## 30 January 2025

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# Remedy challenges

## Off-setting for previously paid (now overpaid) unauthorised payments

- Off-setting the unauthorised payment affects **payment** of a top-up lump sum to members, it does not affect calculation of IC-RSS, options but the date on which the IC-RSS is issued is important, if the benefits cannot be paid out immediately.
- HMRC guidance now needs interpreting by each of the 12 administrators
- Guidance is very dense and in words not a methodology, which does not lend itself to consistency of understanding and interpretation
- Home Office have commissioned GAD to work with NPCC and administrators to develop shared understanding, work is ongoing on this.
- Requires precise knowledge of when the UP was paid to HMRC. Scheme managers in some cases do not have this.

## CD 1987 opt-outs

- In August 24 it was identified that the primary legislation allows someone back to the 'relevant scheme'.
- The 1987 scheme is closed, officers who opt-out of the 1987 scheme return to the 2006 scheme as per [regulation 6](#) of the 2006 scheme.
- This means the relevant scheme is the 2006 scheme, however the policy effect of a CD opt-out was to return the member to the position they would have been in (ie never left the 1987 scheme)
- Home Office are seeking legal advice
- Rather than allow members into the 2006 scheme in the meantime, NPCC have recommended a pause to protect the position of any unintended effect on members from crystallising their 2006 benefit.
- HOT NEWS – A cohort has been identified that can go into the 1987 scheme, update [published 29 January 2025](#)
  - **Where a member opts out on or after the closing date (31 March 2015) and does not re-join during the remedy period, in these cases they CAN re-join the PPS 1987.**

# Remedy challenges

## Divorce guidance

- Prospective guidance now issued for consultation by GAD
- Retrospective is awaited and expected in February/March.
- The guidance has been delayed because GAD have had to seek counsel advice on how to deal with contributions
- GAD are issuing guidance about what to expect

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

- Where members with a pension debit in respect of a divorce case that **commenced before 1 October 2023** are **due to retire** and receive pension benefits 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 a Remediabale Service Statement (RSS).
- If the scheme manager wants to make use of this discretion to pay benefits, the scheme administrator should contact NPCC.
- **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.

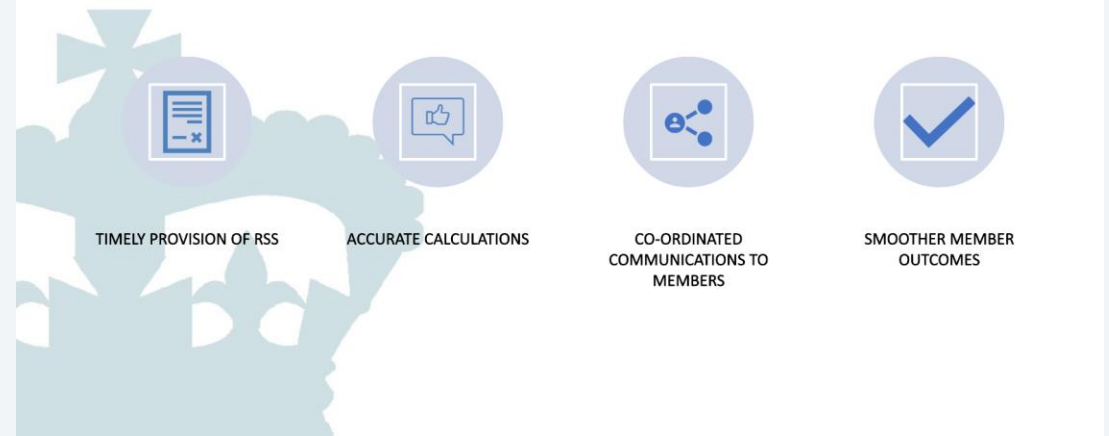
# Remedy challenges

## Missing data (transferees)

- Some administrators have reported delays in rollback due to missing data either from the current employing force or previous forces
- Forces have been encouraged to share and provide data.
- [Regulation 12](#) does require scheme managers to pass on records



What will success at remedy look like?



Data conference 17 May 2023

# Communication challenges



## Taper members

Potential for some members benefit in payment to reduce - [FAQ](#)



## Ill-Health underpin re-calculations

Historically the pay at the retirement date rather than the closing date has been used and needs to be rectified.



## Ill-Health assessments

SMP backlogs mean these are delayed  
Not all members eligible have given consent.



## Myths

Members expecting big pay-outs who may already be on best benefits  
Members without PSS who won't breach due to increased AA threshold  
Mis-understanding of interest rates

# Tax relief as compensation

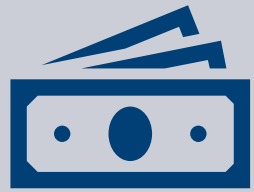
Tax relief is compensatory only

Introduced specifically for remedy, managed by forces. Does not go through HMRC

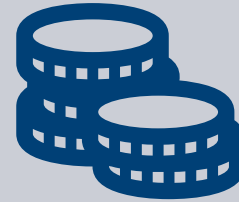
No historical changes to P60s or marginal rate

Financial loss of personal tax will be remedied by compensation

# Compensation claims



**CHANGE IN THRESHOLD  
ENTITLEMENT, DUE TO ADDITIONAL  
TAX RELIEF**



**CHANGE IN MARGINAL RATE, DUE TO  
ADDITIONAL TAX RELIEF**

# Help

- **FAQS**
  - [Annual Benefit Statements](#)
  - [Contribution adjustments](#)
  - [Tax](#)
- **Contribution adjustment [member video](#)**
- **How [PPS 2015](#) benefits build up**
- **Member factsheets**
  - [Remediable Service Statement](#)
  - [Contribution adjustment](#)
  - [Contribution adjustment examples](#)
  - [Remediable pension savings statement](#)



- [News](#)
- **Tax support**
  - [Introduction to personal tax](#)
  - [Personal tax and remedy](#)
  - [Introduction to pensions tax](#)
  - [Pensions Tax and remedy](#)
  - [Suggested tax advisers](#)
- **HMRC help**
  - [HMRC video](#)
  - **Members to liaise directly with HMRC**
    - [publicservicepensionsremedy@hmrc.gov.uk](mailto:publicservicepensionsremedy@hmrc.gov.uk) or call 0300 123 1079 (option 1)
    - [Manual form](#) for agents to complete



# A credible voice for policing



## Communications

Website constantly updated – We have recently published our 58<sup>th</sup> [news item](#) meaning we are publishing new content weekly

Introduced monthly written bulletins to improve clarity on instructions

Fortnightly pension chat ensures a quick information channel

### **Outcome:**

Constant opportunity to ensure stakeholders have up to date and relevant information and members are kept well informed.



## Government engagement

### **Initiative:**

Regular and improved engagement with government departments at HMT and HMRC.

A weekly meeting is place with HMT with joint attendance from Home Office

### **Outcome.**

Better and improved engagement, assurance that the challenges for locally administered schemes are better understood by government officials.



## Fit for the future

Police pension dashboards working group led by Claire Neale – The only member from a public sector pension scheme selected to serve on the national pension dashboard advisory committee

Website upgrades

Podcasts

Comms on 'value' of the pension

Consultation responses

Shared service single scheme manager

# Single scheme manager

In December 2024 Chiefs Council approved the recommendation for a single scheme manager

## Means

- A dedicated shared service
- Ability to act as scheme manager for all forces
- Takes away burden of scheme manager but does not remove decision making and responsibility for employment matters
- Mirrors arrangements for central public service schemes
- Accountable to NPCC pension portfolio lead and Chiefs Council

## Is not

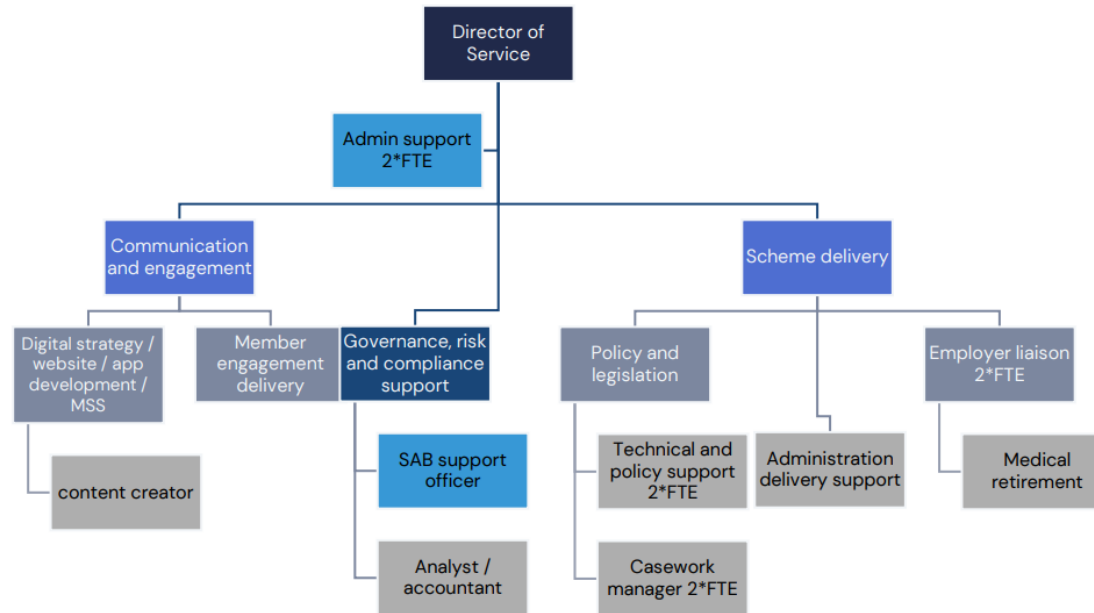
- A single administrator
- The single scheme manager will be responsible for contract management of administration services

# Proposed structure

## Appendix A: Proposed shared service arrangements

### Structure

1. A single scheme manager function will have a requirement for a substantial team of experts with the relevant skills and expertise. The proposed initial structure is as follows: -



# Implementation workstreams



## Structure

Where does the scheme manager sit within the policing framework (ie NPCC strategic hub, new vision for a NPCC HQ, force lead etc) and who/how will employment be led

Project management resources

Cost and cost sharing



## Working together

Dividing employer duties from scheme managers to ensure employers retain sovereignty

Looking at local processes

How will employers be supported on ill-health and medical retirements



## Governance

Pension board governance to assist the single scheme manager

Scheme advisory board

Single scheme manager governance and transparency over decision making

# Disclaimer

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The information contained in these slides are the authors interpretation of the current regulations.

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Readers should take their own legal advice on the interpretation of any particular piece of legislation.

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