A decorative graphic in the top left corner consists of a series of overlapping, semi-transparent blue and red lines forming a grid-like pattern of hexagons and squares, resembling a wireframe or a stylized architectural structure.

NPCC Police Pensions Update & FAQs

15 August 2024

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NPCC guidance is based on an ability to foresee challenges.

NPCC expectations is that guidance published in pension chat or in bulletins is reviewed internally and shared to appropriate teams.

NPCC welcome constructive and timely feedback, happy to explain terms etc.

When guidance is not shared internally or adhered to, errors and confusion can occur.

Guidance is just guidance, it does not replace regulations. The regulations outrank guidance in all cases.

ABS-RSS

- HMT regulations are not police specific.
- HMT expect schemes to act on local guidance as to how to apply rules.
- Police (and fire) schemes are only schemes with wholesale contribution adjustments linked to provision of RSS.
- It is for local forces to adapt any national comms to suit their timescales if they cannot comply with guidance.
- 11 of 12 administrators have all confirmed they are targeting August 2024 for ABS-RSS (with some data exceptions!)

- Pension Chat 25 April 2024

ABS-RSS regulations



Must be issued by relevant date – 31 March 2025 [[PSPJO s29\(10\)](#)]

Must be combined with a benefit information statement (save for the first time) – [[Direction 20\(2\)](#)]

ABS must be rolled back position – [[PSPJO s2](#)]

Rectified PSS must be issued by 6 October 2024 [[6ZD](#), [Tax No 1 regs](#), [Regulation 6c](#) amends Registered Pension Scheme Provision of Information [Regulation 14A, paragraph 6](#)]

Contribution adjustment linked to provision of RSS [[Police Pension Remediable Regulations 2023, Regulation 66 5a](#)]

ABS-RSS timetable



ABS-RSS to be issued in first benefit statement after remedy (August 2024)

Timetable agreement

- Timetable agreed by working group in sessions between September 2022 & November 2022
- Pension Chat sessions in November and December 2022 communicated timetable
- NPCC issued briefing paper on timetable, dated November 2022

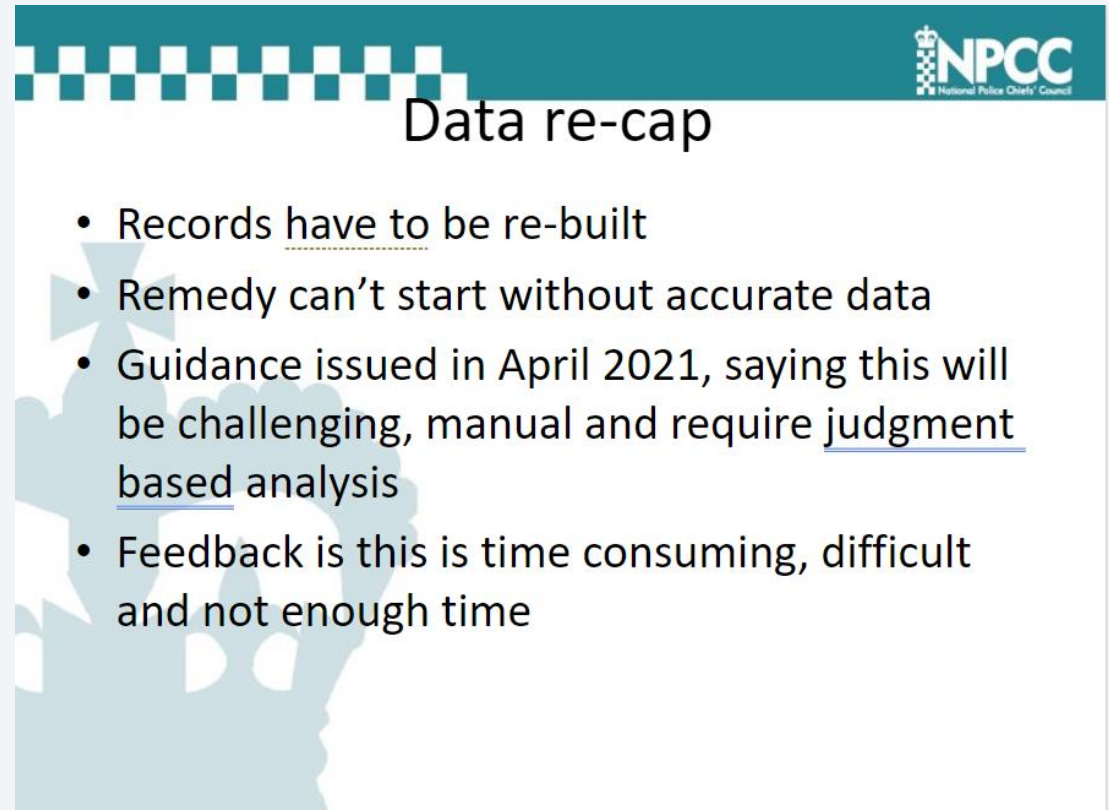
Member communications

- July 2022
 - Eligible active members flyer ([khub](#))
- October 2023
 - Active member warm up communications ([English](#) and [Welsh](#) versions)
- March 2024
 - Member remedy factsheet – Remedy timelines ([Website – member factsheets](#))

Data

- Some ABS-RSS cannot be issued due to missing data.
- Most commonly interforce data is missing.
 - We have previously advised that each force should have a policy on how they would share data and in what timeframe when asked.

• Pension Chat 25 May 2023



The screenshot shows a presentation slide with a teal header bar containing the NPCC logo. The title 'Data re-cap' is centered below the header. The slide contains a list of four bullet points. The background of the slide features a faint silhouette of a person's head and shoulders.

Data re-cap

- Records have to be re-built
- Remedy can't start without accurate data
- Guidance issued in April 2021, saying this will be challenging, manual and require judgment based analysis
- Feedback is this is time consuming, difficult and not enough time

Tax relief – HMT directions update

Active members will be given the option to settle their contribution adjustments within 3 months of the ABS-RSS.

- [[Police pensions remediable service – Regulation 66, para 5a](#)]

There are approximately 52,969 active members who could choose to make 1987 contribution adjustments this year.

- 38,921 active unprotected members
- 14,048 active taper members

Currently the HMT directions [[4\(7bii\)](#)] direct forces to not reduce the liability for contributions by tax relief.

- As members must pay the contribution adjustment in one sum, [66(5)] it is unlikely they will be able to use PAYE, they will have to self-assess to pay the tax.

HMT have confirmed they going to amend the directions to allow the allowing tax relief to be adjusted for active members in the same way it is adjusted for non-active members [[HMT directions 4, 7bii](#)].

The GAD calculator calculates **both** the active and the non-active methods.

ABS-RSS FAQs

I have to make a choice of benefits within 3 months of ABS-RSS

- False, the member does not need to make a choice for benefits
- They can choose to adjust contributions, but they do not have to.
- This is discussed in the [contributions factsheet](#) – 'Timing of adjustment – your choice'

I have to pay my contributions back within 3 months of 31 August, but I will not receive an ABS-RSS until March 2025

- False, the contributions is linked to receipt of an ABS-RSS, so if the member does not receive an ABS-RSS until March 2025 they do not pay / receive contributions until then.
- The contribution adjustment is linked to the RSS in the remediable regulations - [The Police Pensions \(Remediable Service\) Regulations 2023 \(legislation.gov.uk\)](#)

Contributions FAQs

When can I pay contributions/receive contributions

- These are linked to the receipt of RSS
- Must be paid within three months
- [\[Regulation 66\]](#)

What are the interest rates applied

- Illustrative examples here - <https://policepensioninfo.co.uk/wp-content/uploads/2024/07/NPCC-Member-Remedy-Factsheet-Illustrative-examples-contributions-adjustments.pdf>
- Contributions FAQ here – <https://policepensioninfo.co.uk/faqs-remedy/#contributions-adjustments>
- Interest FAQ here - <https://policepensioninfo.co.uk/faqs-remedy/#interest-rates-decided>

What if I choose a different scheme at retirement but make a contribution adjustment now.

- If a member chooses different benefits at retirement that will require a further adjustment – see factsheet - [NPCC-Member-Remedy-Factsheet-Contributions-adjustments.pdf \(policepensioninfo.co.uk\)](#)

How do I get tax relief from HMRC, do I lose out?

- Active basis – HMRC route In exceptional circumstances where the member would not be in the same position they would have been in when the contributions were due, this would be classed as 'financial loss' and compensation due - <https://policepensioninfo.co.uk/wp-content/uploads/2024/05/NPCC-Member-Remedy-factsheet-Compensation.pdf>
- Non-active – compensation

Contributions FAQs

What is the
HMRC route?

- Most common is PAYE through payroll
- When PAYE is not an option (not sufficient earnings / reduce within minimum pay amount) the member must self-assess.

What is the
compensation
route

- The act allows certain amounts to be paid as compensation
- These must all be reported to Home Office in quarterly report.
 - Refunds of contributions
 - Compensatable tax-relief (calculated by GAD calculator)
 - Financial Loss

Remedy period eligibility FAQ

I have previous public sector service am I eligible?

- Does the member meet all 4 conditions – [Public Service Pensions and Judicial Offices Act 2022 \(legislation.gov.uk\)](https://legislation.gov.uk)
 - 1. Remediable service is between 1 April 2015 to 31 March 2022
 - 2. The service is all pensionable (there have been no gaps)
 - 3. The person was in a PSPS at 31 March 2012
 - 4. There have been no disqualifying gaps

Contingent decisions

- Only four contingent decisions
 - Opt-Out
 - Added Years
 - Honoraria
 - Transfers
- Cannot use a contingent decision to create pensionable service for a period the person was not employed for.
- There is no contingent decision to buy back service such as career break or parental leave.

Opt-Outs



Pre remedy – Opt back into 2006 scheme

Contributions are due by lump sum

No interest payable

Tax relief only available for active members in tax year they are paid



During remedy (Paused – <https://policepensioninfo.co.uk/latest-news/#09082024-news>)

Contributions can be collected periodically (GAD to provide calculator)

Interest at NS&I rate is due

Tax relief available for active and non active members



Post remedy – Scheme manager discretion to allow opt-in. [Regulation 28](#)

Contributions are due by lump sum

No interest payable

Tax relief only available for active members in tax year they are paid

- Should we inform members they have a contingent decision.
- Yes, guidance was given in March 2023 to identify contingent decision cohorts.
- Should members make a CD before retirement – Yes, their decision is irrevocable.

- Pension Chat 15 February 2024



Pension Chat – 10 March 2023



The diagram is divided into two main sections under the NPCC logo. The left section, titled 'Four Contingent decisions', lists four categories in blue boxes: 'Opt-outs', 'Honoraria', 'Transfer In', and 'Added Pension'. Under 'Opt-outs', there are two bullet points: 'Automatic 6 months before transition to 2015 scheme' and 'By application between 1 April 2012 to 6 months before transition'. The right section, titled 'Preparation', shows two large blue arrows pointing towards each other. The left arrow is labeled 'Scheme Manager' and contains the bullet points 'Honoraria' and 'Opt-Out'. The right arrow is labeled 'Scheme Administrator' and contains the bullet points 'Transfers' and 'Added Pension'. At the bottom right of the diagram, it says 'Para 5.82 of the [consultation](#)'.

Four Contingent decisions

- Opt-outs
 - Automatic 6 months before transition to 2015 scheme
 - By application between 1 April 2012 to 6 months before transition
- Honoraria
- Transfer In
- Added Pension

Preparation

- Scheme Manager
 - Honoraria
 - Opt-Out
- Scheme Administrator
 - Transfers
 - Added Pension

Para 5.82 of the [consultation](#)

Scheme Manager Compensation Processes



Communications to members

Where members have a factual claim (such as tax relief), the compensation route should be made clear to them.



Identifying a decision maker/s for the compensation decision



Identifying IDRPs decision makers – 1st and 2nd stage



Appropriate segregation between decision makers



Some forces may choose to use peers in adjoining forces.

Evidence

Evidence should include an explicit explanation of the financial loss incurred and the amount.

In order to validate the claim, scheme managers may need to instruct the services of an actuary or legal professional.

- NPCC are looking at options for support on that.

Should members be helped to understand whether they have a compensation claim?

Direction 8, 1h requires a scheme manager to have regard to whether a person could have mitigated their loss:

All claims will need to provide clear evidence of a direct financial loss (such as a receipt, invoice, or bank transaction) as well as justification as to how that loss is attributable to one or all of the conditions set out by section 23 of the PSPJOA 2022.