

REPORT TO PNB BY THE POLICE PENSIONS REVIEW WORKING PARTY

1. Introduction

- 1.1 This paper asks the PNB to note progress on a number of issues relating to the Police Pension Scheme 1987 (1988 in Northern Ireland) (PPS) and the New Police Pension Scheme 2006 (NPPS) since the last report of March 2010.

2. Meetings held and arranged

- 2.1 A meeting of the Working Party was held on 24 June. A further meeting of the Working Party has been arranged for 30 September. There were no meetings of the Technical Working Group (TWG).

3. Summary of progress

- 3.1 Home Office Ministers in the new Government are considering whether to approve the package of changes to the police injury benefits system provisionally agreed by the PNB at its meeting in April. The Side Secretaries have agreed to sign off the revised guidance on ill-health retirement when they meet on 6 July. Further work of the PNB will be against the backdrop of the Government's decision to set up an Independent Commission on public service pensions (the Independent Public Service Pensions Commission) and a Home Office review of police staff and officers' remuneration and conditions of service.
- 3.2 New arrangements, known as "30+ Plus", to replace the current 30+ Scheme were implemented on 1 April 2010. The former Home Office Policing Minister announced on 30 March the closure of the "Additional Voluntary Contributions" facility for new business with effect from 1 October and indicated the intention to replace at the same time the current Added Years scheme with new "Added Pension" arrangements. The Home Office also completed an agreement on the transfer of pensions for officers moving between the BTP pension scheme and the PPS/NPPS with effect from 1 April. Progress on these and other issues is summarised in more detail below.

4. Changes to the 1987 Pensions Regulations and consolidation

- 4.1 The most recent Statutory Instrument (SI) with amendments to the Police Pensions Regulations 1987 came into force on 1 April.
- 4.2 The Home Office legal adviser is at present focusing on completing the draft of Injury Benefit Regulations to reflect the outcome of the injury benefits policy review, in case Ministers want to have these new provisions introduced. Once those draft regulations have been completed, the Police Pensions Policy Team will ask the legal adviser

to draft an SI which completes the process of amending the 1987 Regulations.

5. Part-time officers and pensionable pay

- 5.1 The issue has been referred to the the Gender Equality/Work Life Balance (GEWLB) Working Party. The PNB has issued guidance on designing variable shift arrangements. No Home Office circular has been issued to promulgate this agreement to date. The GEWLB Working Party is currently discussing possible changes to the wording of the determinations to clarify the remuneration that part-time constables and sergeants receive for working additional hours. Staff Side also provided a draft PNB agreement in September last year but still await a response from the Official Side. Agreement on the position of part-time inspectors and pensionable pay is pending, subject to a court case due to be heard in the autumn.

6. Transfers between home forces and the British Transport Police

- 6.1 The new bilateral agreement on the transfer of pension entitlements between the BTP pension scheme and the NPPS 2006 came into force on 1 April. Home Office Circular 8/2010 refers.
- 6.2 There have been no new developments on the issue of officers being able to transfer between Home Department forces and the BTP without losing their entitlement to a 30-year pension. The Home Office proposal, agreed by the Department of Transport, of a special secondment agreement for all conditions of service apart from pensions remains on the table, subject to Ministers' approval. The Home Office is now waiting to see what view is being taken on these proposals by the new CEO and Chief Constable of BTP.

7. Guidance on ill health retirement

- 7.1 Following agreement by the PNB at its April meeting to remit the issue to the Side Secretaries, the Secretaries plan to sign off the guidance at their next meeting on 6th July.

8. Injury Awards review

- 8.1 Following provisional agreement by the PNB at its April meeting to the Home Office proposals for a package of changes to the Police (Injury Benefit) Regulations, a submission has been put to Home Office Ministers on whether they want the package to be implemented (whether in whole or with minor adjustments) or whether they want to refer the issue to the forthcoming review of police staff and officers' remuneration and conditions of service. The Home Office will report back to the PNB as soon as Ministers have given their decision.

- 8.2 The devolved governments in Scotland and Northern Ireland are still considering their positions on the Home Office proposals, in particular on the question of removing cover from injuries received on journeys to and from work. ACPO is considering the comments made by the Staff Side on their draft guidance to police forces on measures to address the issue of officers driving home when tired. It is hoped that discussions between ACPO and the Staff Side will be completed in time for the PNB July meeting.

9. Adult survivor pensions and cohabitation

- 9.1 The Home Office has consulted the National Association of Retired Police Officers (NARPO) and Care Of Police Survivors (COPS) on its draft guidance to forces on how to ensure pension payments are being made to those entitled to them, and in particular how to assess whether an adult survivor's pension should be stopped for reasons of cohabitation. The Home Office will share with PNB the draft as slightly amended in the light of comments by the two organisations. It is planned to put the new draft guidance to Ministers for approval once they have decided on the future shape of police injury benefits.
- 9.2 The Police Survivors Support Scheme, run by the Police Dependants' Trust for survivors of police officers killed in the line of duty who face hardship after having their pension stopped on remarriage, cohabitation or forming a new civil partnership, is now receiving applications and payments have been made in 30 cases.

10. Pension buy-back of unpaid leave

- 10.1 The Home Office has acknowledged that this remains outstanding but considers that the uncertainties currently surrounding the future shape of public service pensions, with the Independent Public Service Pensions Commission and also the Home Office review, make it prudent to put this issue on hold until the picture is clearer.
- 10.2 The Independent Public Service Pensions Commission is due to produce an interim report in September 2010, in line with the Spending review period, and a final report in March 2011 in time for the 2011 Budget. Its terms of reference may be read in full at:

<http://nds.coi.gov.uk/content/detail.aspx?NewsAreaId=2&ReleaseID=413961&SubjectId=2>

11. Pension forfeiture

- 11.1 The separate sub-group on forfeiture has been wound up and future business on forfeiture will be conducted in the Police Pensions Review Working Party.

12. Added Pension Scheme and closure of Added Years Scheme and Additional Voluntary Contributions Scheme

- 12.1 The Home Office has provided a submission to Ministers on whether to let the closure of the AVC Scheme to new business, announced by previous Ministers in March, proceed as planned with effect from 1 October, and on whether the Added Years Scheme should at the same time be replaced by a new Added Pension arrangement. The Home Office will report back to the PNB on Ministers' decisions on this. One consideration relating to the possible introduction of Added Pension is that there was a clear case for waiting until the outcome of the Independent Public Service Pensions Commission's review.

13. Valuation of the Police Pension Schemes

- 13.1 The Home Office is awaiting a decision from the Treasury on key technical issues. They will then consult Ministers and agree a process leading to publication of the valuation report. They will notify the PNB on the sequencing of events including disclosure of the report to the PNB as soon as they have been to Ministers on the issue. The Staff Side is looking forward to receiving the report at the earliest opportunity.

14. Effect of career breaks on retained rights to a pension not subject to the earnings cap

- 14.1 The Home Office has agreed to issue guidance to forces on the circumstances under which breaks in service do not affect officers' continued rights to a pension not subject to the earnings cap.

June 2010