

REPORT TO THE 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 October 2010.

2. Meetings held and arranged

- 2.1 A meeting of the Working Party was held on 10 March. The next meeting has been arranged for 4 July. Meetings of the Technical Working Group (TWG) are planned for 5 April and 6 May.

3. Changes to the 1987 Pensions Regulations and consolidation

- 3.1 There has been no progress on this since the last report.

4. Part-time officers and pensionable pay

- 4.1 There was no progress to report - this issue has been referred to the Gender Equality and Worklife Balance Working Party.

5. Injury awards review

- 5.1 The Home Office has written to the Sides seeking comments on draft Police (Injury Benefit) Regulations and draft guidance on reviewing existing injury awards. Comments have now been received on both of these, for which the Home Office is grateful. A TWG has been arranged to discuss some of the main issues raised.

6. Adult survivor pensions and cohabitation

- 6.1 The Home Office agreed to send the Staff Side Secretary the current version of draft guidance on cohabitation, as an action outstanding from the last meeting.

7. Pension buy-back of unpaid leave

- 7.1 This issue has been deferred pending the outcome of the Winsor Review.

8. Pension forfeiture

- 8.1 A small number of issues remain to be clarified on the policy and guidance around pension forfeiture. These would be discussed in more detail at a meeting of the TWG.

9. Valuation of the police pensions schemes

9.1 The Treasury have concluded a public consultation exercise on the discount rate used for public service pension schemes. The outcome of this will impact on the value of schemes, and work on the valuation has therefore been suspended until the outcome is known. The results of the valuation would be shared with both Sides as soon as possible once the valuation had been taken up again and completed.

10. Independent Public Service Pensions Commission

10.1 Lord Hutton has now published his final report. The recommendations relate to longer term reform of public service pensions schemes. It has been noted that Tom Winsor will need to have regard to Lord Hutton's recommendations under the terms of reference for the Review of Police Officer and Staff Remuneration and Conditions.

10.2 Subject to the Government's response to the report, any changes to the police pension schemes would be subject to the normal consultation process with the PNB.

11. Police pension contributions

11.1 Lord Hutton recommended in his interim report that public service workers should contribute more into their pension schemes. The Government has announced that, on average, public service workers should contribute around 3 percentage points more, to be phased in from April 2012. The Home Office tabled an informal discussion paper on the principles for applying an increase to police pensions contributions and asked for views from members of both Sides. More detailed information and proposals will be provided as soon as possible and ahead of formal consultation on the relevant amendments required to regulations, which are currently expected in June, in common with other major public service pension schemes.

12. Restriction of pensions tax relief

12.1 Pension taxation rules are due to change from April 2011, subject to the relevant legislation being made by Parliament. The Home Office intends to issue information as quickly as possible to those who will be affected, so they can understand the impact. Guidance will be issued through pension administrators and should be made available on the Home Office website.

1 April 2011