



## Police Pensions Board

**Date:** WEDNESDAY, 3 OCTOBER 2018

**Time:** 11.30 am

**Venue:** COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

**Members:** Alderman Ian Luder (Chairman)  
John Todd (Deputy Chairman)  
Alexander Barr  
Philip Hodgson  
Helen Isaac  
Tim Parsons

**Enquiries:** George Fraser  
Tel.No.: 020 7332 1174  
[george.fraser@cityoflondon.gov.uk](mailto:george.fraser@cityoflondon.gov.uk)

**N.B. Part of this meeting may be subject to audio-visual recording.**

**Lunch will be served in the Guildhall Club at 1.00pm.**

**John Barradell  
Town Clerk**

## **AGENDA**

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**  
To agree the minutes of the last meeting, held on 30 May 2018.  

**For Decision**  
(Pages 1 - 6)
4. **OUTSTANDING REFERENCES**  
Report of the Town Clerk.  

**For Information**  
(Pages 7 - 8)
5. **THE PENSIONS REGULATOR PRESENTATION**  
The Pensions Regulator to be heard.  

**For Information**
6. **PROTECTED PENSION AGES AND RE-EMPLOYMENT FOR CITY OF LONDON POLICE OFFICERS**  
Report of the Commissioner.  

**For Information**  
(Pages 9 - 20)
7. **THE CITY OF LONDON: POLICE PENSION SCHEME UPDATE**  
Report of the Chamberlain.  

**For Information**  
(Pages 21 - 86)
8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
10. **EXCLUSION OF THE PUBLIC**  
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

<b>Item No.</b>	<b>Paragraph(s) in Schedule 12A</b>
11	2

**For Decision**

11. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the last meeting, held on 30 May 2018.

**For Decision**  
(Pages 87 - 88)

12. **NON-PUBLIC OUTSTANDING REFERENCES**

Report of the Town Clerk.

**For Information**  
(Pages 89 - 90)

13. **THE CITY OF LONDON: POLICE PENSION SCHEME STATISTICAL DATA**

Report of the Chamberlain.

**For Information**  
(Pages 91 - 94)

14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT THAT SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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## POLICE PENSIONS BOARD

Wednesday, 30 May 2018

Minutes of the meeting of the Police Pensions Board held at the Guildhall EC2 at 11.30 am

### Present

#### Members:

Alderman Ian Luder (Chairman)  
John Todd (Deputy Chairman)

Alexander Barr

#### Officers:

George Fraser	- Town Clerk's Department
Kate Limna	- Chamberlain's Department
Matt Mott	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Richard Jeffrey	- Comptroller and City Solicitor's Department
Marshah Dixon-Terry	- City of London Police

#### 1. APOLOGIES FOR ABSENCE

Apologies were received from Helen Isaac.

#### 2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

#### 3. ELECTION OF DEPUTY CHAIRMAN

The Board considered the appointment of its Deputy Chairman.

The Town Clerk read a list of eligible candidates, and as only John Todd indicated his willingness to serve, he was elected Deputy Chairman for the ensuing year.

RESOLVED – That John Todd be elected Deputy Chairman for the ensuing year.

#### 4. MINUTES

The Board considered the minutes from the last meeting, held on 9 January 2018.

#### MATTERS ARISING

The Chairman welcomed the new Pensions Manager, Matt Mott to the Board for his first meeting since taking up the post 3 months previously.

#### 5. OUTSTANDING REFERENCES

The Board received a report of the Town Clerk that summarised the outstanding actions from previous meetings.

The Chairman noted that bespoke guidance on data protection would be communicated to Members of the Police Pensions Board by CoLP's compliance lead. Members all confirmed that they had undertaken GDPR training already in their respective roles.

RESOLVED – That the report be received.

**6. REPORT OF ACTION TAKEN SINCE THE LAST MEETING**

The Board received a report of the Town Clerk that summarised the action taken under delegated authority to the Town Clerk.

RESOLVED – That the report be received.

**7. TRAINING PRESENTATION**

The Board received a verbal presentation from the Chamberlain providing them with a summary of the training plan as well as a history of the Police Pension Scheme.

The Chairman asked if all Members of the Board had completed their training modules as required to date. The Chamberlain explained that there were some areas outstanding for Members and that they would continue to follow up on these outside the meeting.

In relation to the 1987 Police Pension Scheme, the Chairman asked if the lump sum option was payable based on a maximum of 2/3 final salary. The Chamberlain confirmed that this was correct.

In relation to the option to purchase additional benefits, a Member asked if there was a ceiling on tax-relief for eligible pension contributions. The Chamberlain explained that in practice there was no limit as the Scheme Regulations provide limits to the maximum amount of additional benefits that can be purchased.

The Chamberlain explained that there were currently 3 active schemes, each with their own terms and benefits, that are separate from each other for many of the current scheme members.

A Member asked for a clarification on the situation prior to the 1987 Police Pension Scheme. The Chamberlain confirmed that, although there were a number of schemes prior to 1987, these were all amalgamated into the 1987 Scheme. This limits the number of schemes active to just three – 1987, 2006 and 2015.

The Chamberlain confirmed that most Members on the 2006 Scheme would have moved immediately onto the 2015 Scheme, except a small number that would have tapered protection and move into the 2015 Scheme at a later date.

The Chairman noted that the 2015 Scheme significantly disincentivises retirement at the age of 55. The Chamberlain confirmed that the benefits for officers retiring before age 60 would be subject to actuarial reduction for early payment.

A Member asked if individuals were obliged to leave the 1987 Scheme after 30 years of service. The Chamberlain explained that officers were not obliged to leave the 1987 Scheme upon reaching maximum pensionable service. However, as the Scheme is not compulsory those exceeding 30 years can elect to opt-out, but there were a number of factors to be considered before making such a decision; these include forfeiting their eligibility for a death in service lump-sum payment.

A Member noted that the contractual agreement was fixed at the end of the scheme. The Chairman noted that the incentive of remaining in the scheme would be the final salary payments.

The Chamberlain noted that The Pension Regulator would be attending the October meeting of the Board to provide the next session of training for Members.

RESOLVED – That the Chamberlain be heard.

**8. POLICE PENSIONS SCHEME UPDATE**

The Board received a report of the Chamberlain that provided Members with an update on a range of topics relating to the City of London Police Pension Scheme.

The Chairman noted that changes had been made to the schedule and the risk register in Appendix 1 and Appendix 2 respectively.

The Chairman asked if all members had the right to transfer out of the 2015 Scheme on to other schemes. The Chamberlain confirmed that benefits can only be transferred to other public sector pension schemes.

The Chairman requested that example letters from each scheme be submitted to the October meeting. The Chamberlain confirmed that all letters would be reviewed at the October meeting.

The Chairman illustrated his approval of the final paragraph of the letter at Appendix 3, noting that it was important that members are recommended to seek pensions advice from authorised independent agents.

RESOLVED – That the report be received.

**9. POLICE PENSIONS BOARD ANNUAL REPORT FOR POLICE COMMITTEE**

The Board received a report of the Chamberlain that sought Members' approval of a draft annual report on the Police Pensions Scheme.

The Chamberlain requested Members' comments prior to submission of the Annual Report to the Police Committee on 12 July.

In reference to paragraph 22 of the report, a Member asked whether the scheme survey referenced was run by the City of London Police Pension Scheme, or by The Pensions Regulator (TPR). The Chamberlain confirmed that it was a survey of administration and governance across all police pension authorities and would be carried out by TPR. The Chairman asked if benchmarking would be possible in this case. The Chamberlain explained that the intentions of TPR with regards to the survey are yet unknown but would become apparent following the results presented at the October meeting of the Board.

RESOLVED – That the report be approved and the final draft be included on the agenda for the next meeting of the Police Committee on 12 July.

**10. PROTECTED PENSION AGES AND RE-EMPLOYMENT FOR CITY OF LONDON POLICE OFFICERS**

The Board received a report of the Commissioner of Police that provided Members with a clarification of the risk mitigation carried out by the City of London Police (CoLP) around Protected Pension Ages and re-employment.

The Commissioner explained that the report addressed the two main questions raised by Police Pension Board Members at the previous meeting as follows:

- i. Are CoLP aware of the risks associated with the period of break in work required before employees, having reached their Protected Pension Age, can return to work with CoLP?
- ii. What are CoLP doing to mitigate this risk?

The Chairman asked if an appendix making individuals aware of this regulation should be attached to the letter sent out to retiring CoLP staff regarding their pension. The Chamberlain explained that this information should be distributed to staff through the CoLP HR department, as this would fall under their responsibility. Communications from the Pensions Team would usually be coming at too late a stage for staff to make informed decisions in this regard. The Chairman agreed and requested that an example of this letter or documentation produced by CoLP HR be submitted to the Board. (1)

Members surmised that this was likely to be an issue that the City Corporation HR department should also be aware of but noted that it was not within the remit of the Police Pensions Board to instruct in this regard.

RESOLVED – That the report be received.

**11. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

**12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no urgent business.

**The meeting closed at 12.46 pm**

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Chairman

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**[george.fraser@cityoflondon.gov.uk](mailto:george.fraser@cityoflondon.gov.uk)**

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**POLICE PENSIONS BOARD**  
**30 MAY 2018**  
**OUTSTANDING REFERENCES**

No.	Meeting Date & Reference	Action	Owner	Status
1.	<p><b>30/05/18</b>  Item 10 -  <i>Protected Pension Ages and Re-Employment for City of London Police Officers</i></p> <p><b>HR Example Communication of Re-Employment Regulation</b></p>	<p>The Chairman asked if an appendix making individuals aware of this regulation should be attached to the letter sent out to retiring CoLP staff regarding their pension.</p> <p>The Chamberlain explained that this information should be distributed to staff through the CoLP HR department, as this would fall under their responsibility. Communications from the Pensions Team would usually be coming at too late a stage for staff to make informed decisions in this regard.</p> <p>The Chairman agreed and requested that an example of this letter or documentation produced by CoLP HR be submitted to the Board.</p>	CoLP	<p><b>COMPLETE –</b>  <b>On the Agenda</b></p>

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# Agenda Item 6

<b>Committee:</b> Police Pensions Board	<b>Date:</b> 21 September 2018
<b>Subject:</b> Protected Pension Ages and re-employment for City of London Police Officers	<b>Public</b>
<b>Report of:</b> City of London Police	<b>For Information</b>
<b>Report author:</b> Kelly Harris - City of London Police Assistant HR Director	

## Main Report

Following the previous Police Pension Board where the Chairman asked that the Police ensure officers are informed of the risks relating to returning to work within CoLP without a sufficient time break. I can confirm that the retirement letter indicates these risks and is attached as an appendix.

## **Recommendations**

Members are recommended to note the report.

## Appendices

Appendix I – Template retirement letter

## **Kelly Harris**

City of London police Assistant HR Director

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**Private & Confidential**

NAME  
ADDRESS

XXXXXXXXX  
HR Officer  
HRServices@cityoflondon.pnn.police.uk  
**Direct line**  
020 7601 2845

DATE

Dear NAME,

I am in receipt of your email informing the Force of your intention to retire. Your last day of service will be DATE. I can confirm that your application to retire will be processed and the DIRECTORATE will be informed.

Please note that if you are considering re-joining the City of London Police as a member of Police Staff this may affect your Protected Pension Age. Further information regarding this and how it may affect you can be found at the Appendices attached to this letter.

To mark the occasion of your retirement the City of London Police would like to give you a retirement gift consisting of a Silver Policeman (engraved with your rank at retirement and dates of service) and the enclosed information sheet explains the historical background of the Silver Policeman.

If you wish to opt for a Silver Policeman please complete and return the enclosed proforma no later than DATE.

Please note that all annual leave, TOIL and DWL must be taken before the last day of service.

Prior to leaving you will be required to return your uniform to the Clothing Stores at Bishopsgate and your warrant card, and major incident card to your line management. Pocket books are to be given to HR Services at Snow Hill and Driving Permits and Firearms Permits to the Driving School and Tactical Firearms Group respectively.

You may also wish to contact the Welbeing Office at Walbrook Wharf, in order to join the National Association of Retired Police Officers and the City of London Police Pensioners Association. A member of HR staff will contact prior to your last day you to arrange a formal exit interview - However should you wish to speak to a member of the Chief Officer Team team prior to leaving you are invited to make an appointment with the Commander's PA on ext. 2006.

In the meantime, however, should you have any further queries please do not hesitate to contact me.

With best wishes for your future.

Yours sincerely

HR Officer

SILVER POLICEMAN

If you elect to receive a Silver Policeman, can you confirm whether the wording and dates below are correct, if not please make any amendments clearly below.

<p>Presented to:</p> <p>RANK NAME</p> <p>On completion of XX years Police Service with</p> <p>CITY OF LONDON POLICE</p> <p>DATE FROM to DATE</p>
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It would also be appreciated if you could inform me whether you will be having a leaving presentation so that I can ensure that your gift is available for that date.

Signed .....

Date .....

Please return this form to the Human Resources Department for action.

## **Police Pension Scheme**

### **Protected Pension Age Q and As**

#### **1. What are authorised and unauthorised payments for tax purposes?**

Since 6 April 2010, any payment of pension or pension lump sum benefit that is paid to a member of a registered pension scheme (such as the Police Pension Scheme) on or after the member reaching the age of 55 is an authorised payment. Any such benefit paid before the member reaches the age of 55 will be an unauthorised payment unless it is paid to a person who meets the ill-health or serious ill-health tax rules or who has a valid protected pension age. Unauthorised payments are subject to special tax charges that may be as high as 70% (see questions 23 to 28 below).

#### **2. When does a person qualify for a protected pension age?**

Some individuals had unqualified rights on 5 April 2006 to take a pension before the normal minimum pension age (age 55 since 6 April 2010) and, where certain conditions are met, these individuals may take benefits at an age earlier than the normal minimum pension age without incurring a tax charge. This is known as the member's protected pension age and is the earliest age at which the member has an unqualified right to take benefits. So if this is when they reach age 49 and 4 months the member's protected pension age is age 49 and 4 months, if it is when they reach age 51 years and 3 months the member's protected pension age is age 51 and 3 months and so on.

#### **3. What is an unqualified right to take benefits?**

An individual has an unqualified right to take benefits if they do not need the consent of anybody before they can take their benefits. If the scheme documentation states that the consent of the trustees, the employer or any other person is required before a member can take their benefits, that member does not have an unqualified right to take benefits. (It does not matter that the trustees have always operated their discretion to allow the payment of early benefits, the right is still not an unqualified right).

#### **4. Do police officers have an unqualified right to take benefits before age 55?**

Under the Police Pension Scheme rules, scheme members in a police rank (other those in an ACPO rank) who complete at least either 25 or 30 years of service before age 55 have an unqualified right to take benefits before reaching age 55. So police officer in a non ACPO rank on 5 April 2006 will have a protected pension age.

## **5. What is the protected pension age for a particular police officer?**

This will be the age on which the officer acquired the right to take their benefits under the rules of the Police Pension Scheme. So for example

- A police officer who completes 30 years service at age 48 years and 230 days and has an unqualified right to take their benefits at that time will have that age as their protected pension age if they have an unqualified right,
- A police officer who completes 25 years service at age 48 years and 230 days and has an unqualified right to take benefits from age 50 (with 25 years service) will have a protected pension age of 50.
- A police officer who completes 25 years service at age 51 years and 125 days and has an unqualified right to take benefits from age 50 (with 25 years service) will have a protected pension age of 51 years and 125 days.

## **6. When is a protected pension age lost due to employment after taking benefits?**

Where the entitlement to a protected pension age arises from membership of an occupational pension scheme before 6 April 2006 the protected pension age is lost if the individual is employed by certain persons. The type of restriction depends on whether the individual's protected pension age on 5 April 2006 is an age less than 50 (see questions 7 and 8 below), or an age between 50 and 54 years 364 days (see questions 9 to 19 below).

## **7. When is a protected pension age lost due to employment after taking benefits where the protected pension age is less than 50?**

Protection is lost where either the main purpose (or one of the main purposes) for early entitlement to benefits using a protected pension age is to avoid paying tax or national insurance contributions or the individual is employed by a sponsoring employer in the scheme under which benefit entitlement arose if the individual is connected to that sponsoring employer. "Connected" has a specific meaning for tax purposes and for tax purposes a police officer is not "connected" to any sponsoring employer in the Police Pension Scheme. If there is no "connection" there is no need for the employment to cease when benefits are taken.

## **8. Are members who take their Police Pension Scheme benefits at age 50 or over but before reaching age 55 unaffected, provided they completed 30 years pensionable service under the Police Pension Scheme before reaching age 50?**

Yes. Police officers who complete 30 years service before age 50 and so have an unqualified right to take their benefits before that age have a protected pension age of the age at which they complete their 30 years service, regardless of the age at which

they actually their benefits. It is the protected pension age itself that matters not the age at which benefits are taken.

**9. When is a protected pension age lost due to employment after taking benefits where the protected pension age is 50 or more?**

Protection is lost where the main purpose (or one of the main purposes) for early entitlement to benefits using a protected pension age is to avoid paying tax or national insurance contributions or where the employment does not cease when benefits are taken or it does cease but

- the individual is subsequently employed by a sponsoring employer in the scheme under which benefit entitlement arose, and
- that employer has employed them at any time in the 6 month period immediately before benefit entitlement arose
- and none of the re-employment conditions are met.

**10. Where a retired police officer is employed as civilian staff by a different police force from the one that employed them as a police officer, is it acceptable to return after a break of less than 1 month?**

Yes. The employment as a police officer ceased, as required, at the time benefits are taken. Where the civilian staff employment after taking benefits is with a police force which did not employ the individual at any time in the 6 month period prior to their becoming entitled to their Police Pension Scheme benefits then there is no need to satisfy the re-employment condition. The individual's protected pension age is therefore retained even if the civilian staff employment starts the day after employment as a police officer ceased.

**11. What are the re-employment conditions?**

There are 3 re-employment conditions that could apply to police officers:

- a break in employment of at least 6 months
- a break in employment of at least 1 month and benefits may be abated
- a break in employment of at least 1 month and the re-employment is materially different.

Retired police officers who are re-employed will normally meet one of the last 2 conditions so a 1 month break before re-employment will be required for them to keep their protected pension age.

## **12. What is abatement?**

Abatement is when a pension is reduced or stopped altogether because the pension scheme rules do not allow a member who has taken their benefits and either returned to or continued in their employment to receive more by way of their aggregate pension and pay than they received in pay immediately before taking their pensions. For example, X was paid £30,000 p.a. immediately before taking their benefits. They receive a pension of £15,000 and return to employment on a salary of £20,000 so £35,000 in aggregate. X's pension will be abated by £5000 p.a. (with subsequent adjustments to reflect any changes in pension and/or pay) until they leave service when their full pension is restored.

The pension only has to be liable to abatement it need not be actually abated. So if in the above example X's pay was £15,000 so their aggregate pay and pension is £30,000, their pension will be liable to abatement but not actually reduced. X will satisfy the abatement re-employment condition.

## **13. Is a police pension paid under the Police Pension Scheme liable to abatement?**

Only if the individual is re-employed as a police officer. If they are employed as civilian staff their pension will not be liable to abated.

## **14. How can it be confirmed that a pension is liable to abatement?**

The Police Pension Scheme rules should set out the circumstances in which a member's pension may be abated. The relevant sub-scheme administrator should be able to advise on this. Note: abatement is a matter of public policy and that policy is owned and administered by HM Treasury. Abatement is not a requirement/obligation imposed by HMRC. It is just that in certain circumstances its consequences are catered for in the pension tax rules.

## **15. If a pension may be abated but is not abated does the 1 month rule still apply**

To meet the "abatement" re-employment condition (a) the scheme must be a public service pension scheme (which the PPS is) and (b) the member's scheme pension under the scheme must be "liable to reduction by abatement" during the period of reemployment (at least until member is age 55). The pension does not actually have to be abated, provided it could have been abated.

## **16. If future pension payments are abated until age 55 will there be any unauthorised payment charges?**

Not if the pension is fully abated. It is only the payment actually made that is chargeable. Pension payments paid on or after reaching age 55 will be authorised.

**17. What is a materially different employment?**

The tax rules refer to an employment that is materially different in nature. It is for the relevant Police Pension Scheme sub-scheme administrator (not HMRC), on being notified that a retired police officer who took their benefits as authorised payments before age 55, relying on a protected pension age to do so, to decide whether in the circumstances the retired police officer has lost their protected pension age. They will need to decide (perhaps after discussing with the employer(s) concerned) whether or not the new employment is “materially different in nature” from the employment in which the retired police officer was employed before they took their benefits. However, in HMRC’s view, employment as a serving police officer and employment as a member of civilian staff will normally be materially different in nature.

**18. Police officers are not employees but office holders. When they return in a staff position they are employed – is this still re-employment?**

Yes. Under the income tax rules, office holders are deemed to be employees. The person under whom the office-holder holds the office is deemed to be the employer. And references to “employment” are read accordingly. These rules also apply to the pension tax rules.

**19. Is a police force a sponsoring employer?**

Yes. As explained at question 16 above, a police force or a police authority (as appropriate) will be an employer for the purposes of the pension tax rules. A “sponsoring employer” of a pension scheme is an employer, or any of the employers, whose employees are provided with benefits under the scheme.

**20. What happens if a retired police who took their benefits before age 55 using a protected pension age is re-employed and does not meet the re-employment condition?**

The individual concerned loses their protected pension age from the date of the reemployment. Any payment of pension or lump sum provided by commutation of pension paid before that date will remain an authorised payment. Any payment of pension or lump sum provided by commutation of pension paid on or after that date will be an unauthorised payment if it is made before age 55. Payments made on or after reaching age 55 will be authorised payments

**21. If a lump sum or a pension payment is paid under the Police Pension Scheme before re-employment does it remain an authorised payment?**

Yes as the protected pension age is only lost from the date of employment.

**22. When is a lump sum or pension payment under the Police Pension scheme “paid”?**

Where the payment is to be made direct to a bank account, HMRC’s view is that a payment is not made until the money is in the individual’s bank account.

**23. What are the unauthorised payment tax charges?**

There are 3 potential tax charges:

- the unauthorised payments charge which is charged at the rate of 40%
- the unauthorised payments surcharge which is charged at the rate of 15%
- the scheme sanction charge which is normally charged at the rate of 15%.

**24. Who has to pay the unauthorised payment tax charges in respect of unauthorised payments made following the loss of a protected pension age?**

The retired police officer is liable to pay the 40% unauthorised payments charge and the 15% unauthorised payments surcharge. This is done on a Self Assessment Tax Return. The appropriate Police Pension Scheme sub-scheme administrator is liable to pay the scheme sanction charge. But the scheme rules may allow this to be recovered from the member.

**25. When will the 15% unauthorised payments surcharge apply?**

The surcharge will apply if all the unauthorised member payments made by the Police Pension Schemes to a retired police officer (who loses their protected pension age because of re-employment) before the end of a 12 month period beginning with the date the first unauthorised payment was made exceed a certain amount. And further periods may follow on from that.

Where a retired police officer takes the maximum or near maximum retirement lump sum and this is an unauthorised payment because it is paid on or after the date of reemployment, then the surcharge will apply to the lump sum and to all pension payments made in the 12 month period mentioned earlier. So the member’s unauthorised tax charges for the lump sum and pension payments concerned will be 55%. Subsequent pension payments which are unauthorised payments will not be subject to the 15% surcharge, just the 40% charge.

**26. How will the scheme sanction charge apply?**

This charge will only apply to so much of the pension and lump sum as are attributable to service from 6 April 2006. So say a police officer retires from 6 October 2010 after 30 years service. For the first 20 years of service, pension benefits (before any commutation for a lump sum) will have accrued at the rate of 1/60 of

pensionable salary for each year of service and at the rate of 2/60 of pensionable salary the last 10 years, giving the maximum 40/60<sup>th</sup> pension. So benefits will be based on 31/60 service accrued by 5 April 2006 and 9/60 from 6/4/2006. The scheme sanction charge will therefore apply to 9/40<sup>th</sup> (31 + 9) of the amount of any unauthorised payments. This equates (15% x 9/40) to a charge at the rate of 3.375% rather than 15%.

**27. The scheme sanction charge is only due in respect of post 5/4/2006 accrued benefits. Is the charge calculated purely on accrual rates with no reference to salary or benefits**

Yes – see the answer to the previous question.

**28. Can a sub-scheme administrator deduct and pay the member's unauthorised payment tax charges and the scheme sanction charge**

Yes – if the member consents and following the procedure set out in HMRC'S Newsletter 40 which can be accessed at <http://webarchive.nationalarchives.gov.uk/20110109132006/http://hmrc.gov.uk/pensionschemes/ps-newsletter40.htm>

**29. Where can I get more detailed guidance from HMRC?**

HMRC has published comprehensive guidance on the pension tax rules for registered pension schemes in the Registered Pension Schemes Manual (RPSM). RPSM is published on HMRC's website. To access it, go to <http://www.hmrc.gov.uk/manuals/rpsmmanual/index.htm>. The Technical Pages contain guidance on the protected pension age rules in Chapter 3 at RPSM03106000 onwards and on the unauthorised payment tax charges in Chapter 4 at RPSM04104000 onwards

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# Agenda Item 7

<b>Committee:</b> Police Pensions Board	<b>Date:</b> 03 October 2018
<b>Subject:</b> The City of London: Police Pension Scheme - Update	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Graham Newman – Chamberlain’s Department	

## Summary

The Board have agreed that at each meeting that information regarding a range of topics in relation to the City of London Police Pension Scheme (the Scheme) would be provided along with any updates.

<b>Item</b>	<b>Update</b>
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
The Pensions Board’s Risk Register	Appendix 2
Documentation of all of the communications which are circulated to Scheme Members	Members asked to see copies of all documentation on an annual basis.  Amendments / updates that have been made since the last review have been highlighted (Appendices 3a to 3z)
Information of Scheme Record Keeping	No amendments since the last Board meeting.
A record of any complaints or disputes under the Scheme’s complaints procedure	None to report
Any recent Police Pension Scheme breaches of the law	No breaches to report.
Any audit reports relating to the administration of the Scheme	None to report.
Required Training	No regulatory changes to report.  The Pensions Regulator to attend the meeting.
GDPR	General Date Protection Regulations (GDPR) came into effect on 25 May 2018.  The CoL Police are responsible for creating and issuing a ‘Full Privacy

	Notice', details of which are still to be received.
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### **Recommendation**

Members are requested to review the information and provide any comments.

#### **Appendices:**

Appendix 1 – Annual Schedule of events

Appendix 2 – Risk Register & Risk Matrix

Appendix 3a – 3z – Scheme Documentation

#### **Contact:**

Graham Newman

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Email: [graham.newman@cityoflondon.gov.uk](mailto:graham.newman@cityoflondon.gov.uk)

**City of London: Police Pension Scheme  
Annual Schedule of Events**

<b>Date Due</b>	<b>Event</b>	<b>Date Completed</b>
Within 2 weeks of June quarter	Tax Return for June Quarter	No data to return
31 <sup>st</sup> August 2018	Issue of Annual Statements Deadline	29/08/2018
3 <sup>rd</sup> September	Home Office Autumn Finance Return and revised 5 year forecast	03/09/2018
25 <sup>th</sup> September	Police Pre-retirement Course	25/09/2018
Within 2 weeks of September quarter	Tax Return for September Quarter	
1 <sup>st</sup> October	Deadline for Office for National Statistics Occupational Pension Schemes Survey	
6 <sup>th</sup> October	Issue of Pension Saving Statements Deadline	
October / November (to be confirmed)	Deadline for Scheme Return to the Pensions Regulator	
Within 2 weeks of December quarter	Tax Return for December Quarter	
1 <sup>st</sup> April 2019	Employee Contribution band implementation	
1 <sup>st</sup> April	Employer Contribution implementation	
1 <sup>st</sup> April	Revaluation of CARE benefits	
1 <sup>st</sup> Monday in April after 6 <sup>th</sup> April	Pensions Increase – Annual Inflation Increase	

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### City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively), it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.



#### (A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

#### (B) Impact criteria

Impact title	Definitions
Minor (1)	<b>Service delivery/performance:</b> Minor impact on service, typically up to one day. <b>Financial:</b> financial loss up to 5% of budget. <b>Reputation:</b> isolated service user/stakeholder complaints contained within business unit/division. <b>Legal/statutory:</b> Litigation claim or find less than £5000. <b>Safety/health:</b> Minor incident including injury to one or more individuals. <b>Objectives:</b> Failure to achieve team plan objectives.
Serious (2)	<b>Service delivery/performance:</b> Service disruption 2 to 5 days. <b>Financial:</b> Financial loss up to 10% of budget. <b>Reputation:</b> Adverse local media coverage/multiple service user/stakeholder complaints. <b>Legal/statutory:</b> Litigation claimable fine between £5000 and £50,000. <b>Safety/health:</b> Significant injury or illness causing short-term disability to one or more persons. <b>Objectives:</b> Failure to achieve one or more service plan objectives.
Major (4)	<b>Service delivery/performance:</b> Service disruption > 1 - 4 weeks. <b>Financial:</b> Financial loss up to 20% of budget. <b>Reputation:</b> Adverse national media coverage 1 to 3 days. <b>Legal/statutory:</b> Litigation claimable fine between £50,000 and £500,000. <b>Safety/health:</b> Major injury or illness/disease causing long-term disability to one or more people <b>Objectives:</b> Failure to achieve a strategic plan objective.
Extreme (3)	<b>Service delivery/performance:</b> Service disruption > 4 weeks. <b>Financial:</b> Financial loss up to 35% of budget. <b>Reputation:</b> National publicity more than three days. Possible resignation leading member or chief officer. <b>Legal/statutory:</b> Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. <b>Safety/health:</b> Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. <b>Objectives:</b> Failure to achieve a major corporate objective.

#### (C) Risk scoring grid

Likelihood	Impact			
	Minor (1)	Serious (2)	Major (4)	Extreme (8)
X				
Likely (4)	4 Green	8 Amber	16 Red	32 Red
Possible (3)	3 Green	6 Amber	12 Amber	24 Red
Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
Rare (1)	1 Green	2 Green	4 Green	8 Amber

#### (D) Risk score definitions

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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City of London: Police Pension Scheme Risk Register for the Police Pensions Board - FOR CONSIDERATION

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Provision of City of London Police actuarial data to the Home Office	Chamberlain	(i) Inaccurate data supplied to the Home Office. (ii) Poor assumptions used by the Home Office.	National employer rate incorrectly determined.	Robust Year End procedures and updates. Checking for errors or inconsistencies in valuation extract report before submission to the Home Office.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
2	Failure to comply with legislative requirements.	Chamberlain	(i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff	(i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator	Recruitment of suitable staff appropriate salary levels. Appropriate training. Attendance at seminars and Forums, webinars and user groups.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
Page 27	Pension Scheme Administration (Personnel)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Robust checking procedures in place at all stages of record management from starting, transfers received, career changes, pension top-ups, leaving and benefit payment. (iii) If staff or other resources are lacking ensure priority cases are covered and all checking levels maintained.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
	Pension Scheme Administration (Systems)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Ensure IT have sufficient back-ups and Disaster Recovery	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
5	Pension Fraud	Chamberlain	(i) Continued payment of pensions following death. (ii) Staff acting inappropriately	(i) Overpaid pensions. (ii) Financial loss	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Sending Life Certificates to Overseas Pensioners.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Minor	Green 2
6	Protected Pension Age (PPA)	Chamberlain / City of London Police HR	Retiring officers of a certain age losing their PPA as a result of being re-employed by the same sponsoring employer without a sufficient break between retirement and re-employment.	HMRC make 'unauthorised payment' charges to both the member and the organisation.	(i) Ensuring officers are aware that a break is needed if they are retiring between ages 50 and 55 and intend to seek to be re-employed with CoL Police or the CoL. (ii) Ensuring Police HR are aware of the rules regarding PPA and re-employment	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1

### List of documents in Appendix 3

Appendix 3a	Starter form
Appendix 3b	Opt-in form
Appendix 3c	Early leaver covering letter (includes updated paragraph re pensionable pay)
Appendix 3d	Refund covering letter
Appendix 3e	Opt-out form
Appendix 3f	Opt-out confirmation letter
Appendix 3g	Opt-out factsheet
Appendix 3h	Death Grant Expression of Wish Nomination Form
Appendix 3i	Co-habiting Partner Nomination Form
Appendix 3j	Interforce-in service certificate request
Appendix 3k	Interforce-in confirmation letter to officer
Appendix 3l	Interforce-out service certificate covering letter
Appendix 3m	Transfer-in authority form
Appendix 3n	Transfer-in quotation request
Appendix 3o	Transfer-in quotation letter to officer
Appendix 3p	Transfer-in payment request
Appendix 3q	Transfer-in finalised confirmation letter
Appendix 3r	Retirement Illustration Letter
Appendix 3s	Retirement Finalised Covering Letter (includes additional paragraph)
Appendix 3t	Retirement form PP1
Appendix 3u	Retirement form PP2
Appendix 3v	Retirement Lifetime Allowance Declaration form
Appendix 3w	Annual Benefit Statement
Appendix 3x	Estimate letter – 1987 Scheme only (includes additional paragraph)
Appendix 3y	Estimate letter – 1987 & 2015 Scheme membership
Appendix 3z	Annual Allowance Letter (body of text updated to provide better clarity)

Where appropriate, text and paragraphs that have been amended or added since the previous communications review have been highlighted on the attached appendices.

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# Police Pension Scheme

**1. Personal Details - Please complete this section in all cases**

Title, Surname

National Insurance number

--	--	--	--	--	--	--	--	--	--

Date of Birth

First Name(s)

Relationship Status: Single/ Married/ Civil Partnership/ Divorced/ Dissolved Civil Partnership/Widow(er)/Cohabiting  
 (Please circle as appropriate)

**2. Current Employment - Please complete this section in all cases**

City Police  
 Start Date

Warrant No.

**3. Previous Police Pension Scheme membership**

If you have previously been a member of the Police Pension Scheme please provide details of your previous service below:

Previous Force	Date from	Date to

**4. Previous pension rights in a non-police pension scheme**

If you have accrued pension benefits in a pension arrangement that is not the Police Pension Scheme it may be possible to transfer those benefits into the Scheme. If you wish to investigate this option please contact the Pensions Office and request the necessary form.

Once the form has been completed and returned the Pensions Office will be authorised to investigate the transfer on your behalf. Completion of the form does not commit you to proceeding with a transfer.

If you have more than one previous pension arrangement you should copy the form, as necessary.

## 5. Survivor Benefits

When you die, your 'survivors' may be entitled to receive benefits.

For the purposes of the Police Pension Scheme 1987, 'survivors' means a spouse or civil partner and eligible children.

If you are a member of either the Police Pension Scheme 2006 or the Police Pension Scheme 2015 'survivor' means spouse, civil partner, eligible children and declared partners. A declared partner is someone with whom you have a long term relationship but to whom you are not married nor with whom you have formed a civil partnership. For a declared partner to be recognised by the Scheme you and your partner must complete a joint declaration form to confirm that certain criteria are met.

Declared partner forms are available from the Pensions Office.

## 6. Death Grant – Expression of Wish

Should you die in service whilst an active member of the Police Pension Scheme there may be a lump sum death grant payable.

If you are a member of the Police Pension Scheme 1987 this payment must be made to your spouse / civil partner. If you are not married or in a civil partnership at the date of death the payment must be made to your personal representatives to form part of your estate.

If you are a member of either the Police Pension Scheme 2006 or the Police Pension Scheme 2015 it may be possible to nominate a beneficiary to receive the lump sum death grant. If you are married, in a civil partnership or have a declared partner then any payment must be made to your spouse / civil partner / declared partner. However, if none of these apply you can nominate a person (or people) to receive the payment by completing an 'Expression of Wish' nomination form which is available from the Pensions Office.

## 7. Annual statement of entitlement

You will be issued with a benefit statement each year showing the pension benefits you have built up in the Police Pension Scheme.

## 8. Further information about the Police Pension Scheme

Membership of the Scheme is automatic but it is not compulsory; if you do not wish to be a member of the scheme (or decide at some later date that you do not wish to be a member), you can obtain an opting out form from the Pensions Office. Please note however, that you cannot sign and date the opting out form until, at the earliest, the first day of membership of the scheme.

Further information regarding the Police Pension Scheme can be found at <https://www.gov.uk/government/collections/police-pension-schemes>

I confirm that I have read the contents of this form.

Signed:

Date:

If you have any queries please contact the Pensions Office, City of London, PO Box 270, Guildhall, London, EC2P 2EJ; ☎ 020 7332 1132 / 3312 ✉ [policepensions@cityoflondon.gov.uk](mailto:policepensions@cityoflondon.gov.uk)

**OPT IN FORM  
POLICE PENSION SCHEME 2015 (PPS 2015)**

If you want to opt into the PPS 2015 (Pension Saving), complete this form and send it to the Pensions Office, Guildhall.

It is important to fully complete all details.

Please complete all sections of the form in BLOCK CAPITALS and in **BLACK** ink.

**Your Personal Details**

<b>Surname</b>	<input type="text"/>	<b>Title</b>	<input type="text"/>
<b>Forename(s)</b>	<input type="text"/>	<b>Date of Birth</b>	<input type="text"/>
<b>National Insurance Number</b>	<input type="text"/>		
<b>Personal email address (optional)</b>	<input type="text"/>		
<b>Rank</b>	<input type="text"/>	<b>Warrant Number</b>	<input type="text"/>

**NB. A separate election form must be completed for each post in which you wish to opt into the scheme.**

I confirm that I wish to be a member of the Police Pension Scheme (PPS 2015) and request that pension contributions commence from the pay period following the date of this election (or my first day of employment if signed before the above employment begins).

I understand that I may need to undergo a medical examination at my own expense to determine if I will be eligible for ill health benefits.

<b>SIGNATURE</b>	<input type="text"/>	<b>DATE</b>	<input type="text"/>
------------------	----------------------	-------------	----------------------

**Now return the completed form to The Pensions Office, Guildhall**

If you want to know more about the costs and benefits of being a member of the PPS 2015 please read the Member's Guide at <https://www.gov.uk/government/publications/the-police-pensions-scheme-2015-members-guide>

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Dear ...,

### **The Police Pension Regulations 1987 (as amended)**

I am writing to advise you that upon leaving the Force on ....., and under the provisions of the above Regulations you are entitled to a Deferred Pension. This entitlement will become payable from your 60<sup>th</sup> birthday, or earlier if you should suffer a permanent break down in health, which would have precluded you from carrying out your duties as a police officer, had you remained in service.

Your deferred pension has been calculated with reference to your length service and your highest average pay in the last three years of your service. A year is calculated from the date of leaving backwards in blocks of 365 days – it is not a rolling year. This figure is called your Average Pensionable Pay (APP).

A statement of your entitlement is enclosed for your information. The pension will be subject to the Pensions (Increase) Act and will be increased annually in line with the cost of living from the date of leaving the Force until the date your pension becomes payable and each year thereafter.

The cost of living index used for the revaluation of public service pensions is determined by the Secretary of State; the current revaluation method is the Consumer Prices Index (CPI) and may be subject to change.

When your pension comes into payment you will be allowed to commute a portion of your pension, normally up to one quarter, in favour of a tax free lump sum payment. You will be contacted about three months prior to your 60<sup>th</sup> birthday, when you will be advised of the increased pension payable and provided with an option form in respect of commutation. It is essential therefore that you notify this office of any permanent change of address.

In the event of your death, whether or not your deferred pension has come into payment, your spouse may claim a pension, which is equal to ½ of your pension entitlement, by making an application to this office.

I would mention that it may be possible to transfer your rights to another pension arrangement and if you are interested in this you should ask your new pension scheme administrators to contact me. However, the rules regarding transfers-out of public sector pension schemes are very strict and depending on your new scheme this option may not be applicable.

I trust that the position is clear to you, but should you have any queries or disagree with any of the details provided regarding your pension entitlement please do not hesitate to contact .....

I am required to advise you that there is an internal dispute procedure should you be dissatisfied or have a complaint regarding your pension entitlement. An application form detailing the procedure, together with the name and address of the appointed official to whom the complaint should be sent may be obtained from the pensions office.

Please note, The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

Yours sincerely

Dear ...,

**The Police Pension Scheme Regulations  
Refund of Pension Contributions**

I refer to your resignation from the City of London Police on ..... I am writing to advise you that you may, if you wish, claim a refund of pension contributions, the details of which are attached.

If you wish to receive a refund of your pension contributions please complete and return the enclosed claim form. If you have any queries, please do not hesitate to contact .....

Yours sincerely

**THE POLICE PENSION SCHEME REGULATIONS**

**REFUND OF PENSION CONTRIBUTIONS**

I wish to claim the refund of my pension contributions accrued whilst a member of the Police Pension Scheme.

Name (in block capitals): .....

Warrant No: .....

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your refund will be paid directly into your bank account. Please provide the necessary details below

Account Name: .....

Account Number: .....

Sort Code: .....

Roll Number (if applicable): .....

Signed: .....

.....

date.....

Please return this form to :-

The Pensions Office  
City of London  
PO Box 270, Guildhall  
London EC2P 2EJ

### **Opting out of the POLICE PENSION SCHEME 1987 (PPS 1987) / POLICE PENSION SCHEME 2006 (PPS 2006) / POLICE PENSION SCHEME 2015 (PPS 2015)**

#### **Notice to opt out of pension saving**

You might be thinking of opting out of the PPS 1987/PPS 2006/PPS 2015 for a variety of reasons. Whatever the reason, it's worth taking some time to look at the benefits you could be giving up.

Opting out might not save you as much in take home pay as you may think. In most cases, you will pay more tax if you opt out of the Police Pension Scheme. A basic rate tax payer paying pension contributions of £100 a month who opts out will then pay £20 more.

You may wish to consider these good reasons for remaining a member of the Police Pension Scheme:

- 1** Tax relief on the contributions you pay
- 2** Your employer contributes too
- 3** Safe and guaranteed pension with no investment risk
- 4** Life cover – no medicals required
- 5** Protection for your loved ones if you die
- 6** No hidden fees or administration charges
- 7** Option of a tax free lump sum as well as a yearly pension
- 8** Your pension rises with the cost of living

Whatever your reasons for considering opting out of the scheme, we ask that you give this matter careful consideration before making a final decision. You may wish to take independent financial advice before making a decision to opt out. If you are opting out of the Police Pension Scheme due to advice you have received you should ask for this advice in writing.

**If you still want to opt out of the PPS 1987/PPS 2006/PPS 2015 please now  
complete the form.**

# OPT OUT FORM

## POLICE PENSION SCHEME 1987 (PPS 1987) / POLICE PENSION SCHEME 2006 (PPS 2006) / POLICE PENSION SCHEME 2015 (PPS 2015)

If you want to opt out of the PPS 1987/PPS 2006 or PPS 2015 (Pension Saving), complete this form and send it to The Payroll Office, Guildhall, or if you have access to a scanner a scanned copy can be sent by e-mail to [policeOP@cityoflondon.gov.uk](mailto:policeOP@cityoflondon.gov.uk)

It is important to fully complete all details. An incomplete or incorrectly dated form will be treated as invalid and will be returned to you.

Please complete all sections of the form in BLOCK CAPITALS and in **BLACK** ink.

### Your Personal Details

Surname	<input type="text"/>	Title	<input type="text"/>
Forename(s)	<input type="text"/>	Date of Birth	<input type="text"/>
National Insurance Number	<input type="text"/>		
Rank	<input type="text"/>	Warrant Number	<input type="text"/>

Please give a brief explanation as to why you are opting out of the pension scheme

### What you need to know about opting out of the PPS / NPPS

Your employer cannot ask you or force you to opt out.

If you are asked or forced to opt out, you can tell The Pensions Regulator – see [www.tpr.gov.uk](http://www.tpr.gov.uk)

If you change your mind you may be able to opt back in – write to your employer if you want to do this.

If you stay opted out, your employer will normally put you back into pension saving in around three years.

If you change your job, your new employer will normally put you back into pension saving straight away.

If you have another job, your other employer might also put you into pension saving, now or in the future. This notice only allows you to opt out of pension saving with the employer (and job) you name above. A separate notice must be filled out and given to any other employer you work for, if you wish to opt out of that employer's pension saving as well.

**I have read the attached documentation and understand that the choices I make now are important in planning for my retirement. I confirm that I wish to opt out of the pension scheme in relation to the post I have indicated on this form.**

**I understand that if I opt out I will lose the right to pension contributions from my employer. I understand that if I opt out I may have a lower income when I retire.**

Signed:  Date:

This form cannot be dated before your date of joining the Pension Scheme  
You should return the completed form to:  
The Payroll Office, Guildhall. Or [policeOP@cityoflondon.gov.uk](mailto:policeOP@cityoflondon.gov.uk)

Dear ...,

### **Police Pension Regulations 1987 (as amended)**

I write to confirm receipt of your election to opt-out of the Police Pension Scheme and to confirm that your election to opt-out will take place with effect from .....

As you have accrued over 30 years pensionable service, your pension will be payable when you retire from the Force.

Your pension is calculated with reference to the Average Pensionable Pay you had received in the 12 months leading up to your last day of Scheme membership, in your case £ 00,000.00, however your commutation lump sum is calculated based upon the appropriate factor at the date you retire from the Force.

When I receive official notification from the Police HR department of your intention to retire I shall write to you with your commutation options and details of how the pension will be brought into payment.

I trust that the above information is clear, but should you have any further queries please do not hesitate to contact ..... on the extension shown at the head of this letter.

Yours sincerely

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### **FACTSHEET - Opting Out** **Police Pension Scheme 1987 (PPS 1987)** **Police Pension Scheme 2006 (PPS 2006)** **Police Pension Scheme 2015 (PPS 2015)**

The PPS 1987, 2006 and 2015 are very secure pension schemes. They are defined and set out in law. Your benefits are guaranteed with no investment risk.

Membership of the schemes is not compulsory and you can opt out at any time.

Benefits of the Police Pension Schemes are:

- **Life cover**

The PPS 1987 provides life cover of 2 times your annual pensionable pay. The PPS 2006 and 2015 provide life cover of 3 times your annual pensionable pay. No medical is required

- **Tax relief**

Your contributions attract tax relief at the time they are deducted from your pay

- **Your employer contributes**

The schemes are provided by your employer who contribute to the cost of providing your benefit

- **A secure pension**

The benefits you get when you retire are based on your membership and your pensionable pay. After you retire your pension keeps pace with cost of living increases

- **Lump sum**

The PPS 2015 and 1987 provide the option for you to exchange part of your pension for a lump sum on your retirement. The PPS 2006 provides an automatic lump sum of 4 times your annual pension on your retirement

- **Protection for your loved ones**

Your family enjoys financial security with a pension for your husband, wife, civil partner and eligible children, in the event of your death. The PPS 2006 and 2015 provides a pension for a declared partner if you do not have a spouse or civil partner

- **Protection for you**

If you become seriously ill, you could receive immediate ill-health benefits at any age

If you still wish to opt out you need to complete the Opt out form available from the Pensions Office.

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### Police Pension Scheme

#### Nomination or revocation of lump sum death grant

**IMPORTANT: Read these notes before you complete this form**

1. This form allows you to nominate a person to receive a lump sum death grant if you die in service. The amount of the grant is normally three times your annual pensionable earnings at the time of death (or immediately before any period of absence without pay).
2. This form applies only to members of the Police Pension Scheme 2006 and Police Pension Scheme 2015. If you are a member of the Police Pension Scheme 1987, and you die in service, the grant will be paid to your surviving spouse or civil partner (if you have one) or otherwise to your personal representative (normally your estate). Contact your pensions administrator if you are not sure which scheme you are in.
3. You may nominate anyone you like, including an organisation. You may also nominate as many people or organisations as you like. If you nominate more than one person or organisation, say what proportion of the grant (either a percentage or a fraction) you would like each to receive. If you do not give a proportion, we will divide the grant equally between the people or organisations you have named.
4. The form asks you to state any nominated person's relationship to you. You do not have to give this if you do not wish to, but it will help us deal sensitively with matters if you die.
5. A nomination will not be effective if at the time of your death you leave a surviving spouse, civil partner or unmarried partner who is entitled to benefits under the Scheme Regulations. In these circumstances, the grant will be paid to that person (refer to the relevant Members' Guide for more information about the lump sum death grant and about survivor benefits in general).
6. You may wish to consider changing your nomination if your personal circumstances change. It is your responsibility to keep it up to date, including the address of anyone you have nominated.
7. Your pensions administrator will acknowledge the nomination by returning a copy for you to keep. If you wish to revoke your nomination you must do so in writing. You should contact your pensions administrator for a new form.
8. Your nomination is not binding on the police authority. If for any reason we do not pay the grant to the person you have named, we will pay it to your personal representative.

***Now turn over***

Please fill in this form in black ink and in **BLOCK CAPITALS**, and send it to your force's pensions administrator at the address shown below.

### About you

Your name	
Pay reference/Warrant number	
Address/Work location	
Postcode	
Daytime telephone number	

### Your nomination

<p><i>I nominate the person or people named below to receive a lump sum death grant in the event of my death whilst in service, subject to the provisions of the Police Pensions Regulations 2006 / 2015. I understand that if I complete this nomination, it will replace any nomination I have made earlier.</i></p>		
Person or people you wish to nominate and their relationship to you (see notes 3 and 4)	Their address or addresses	Proportion (see note 3)

Your signature

Date

Please return the completed form to:

**The Pensions Office  
City of London  
PO Box 270  
Guildhall  
London  
EC2P 2EJ**

### Police Pension Scheme Co-habiting Partner Declaration Form

- By completing this declaration form you nominate your partner to receive an adult partner's pension payable under the Police Pensions Regulations 2006 / 2015, subject to the submission of a valid claim in the event of your death.
- This declaration alone does not give your partner entitlement to a pension. If you were to die, the police authority would need to be satisfied that your relationship with your partner met the qualifying conditions for the payment of a pension at the time of your death. Please read this leaflet for more information.
- Please fill in this form in black ink and in **BLOCK CAPITALS**, and send it to your force's pensions administrator, acting on behalf of the police authority, at the address shown below. They will acknowledge that they have received the form by returning a copy of it to you.

<b>Part 1. About you (the scheme member)</b>	
Your name	
Pay reference	
Address ( <i>it is your responsibility to tell your pensions administrator if you subsequently change address</i> )	
Postcode	
Daytime telephone number	

<b>Part 2. About your partner</b>	
Partner's full name including title	
Partner's date of birth	
Partner's address ( <i>this should normally be the same as the address of the NPPS member</i> )	
Postcode	

**Now turn over**

<b>Part 3. Declaration</b>	
<ul style="list-style-type: none"> <li>• We confirm the following. <ul style="list-style-type: none"> <li>➤ We have lived together for ..... years, during which time our financial affairs have been interdependent (or the partner has been financially dependent on the Police Pension Scheme member).</li> <li>➤ We have an exclusive, committed and long-term relationship with each other and we intend to continue this indefinitely.</li> <li>➤ We are not married to each other and we have not formed a civil partnership with each other</li> <li>➤ We are not related in a way that will prevent marriage or civil partnership</li> <li>➤ Neither of us is married to anyone else.</li> <li>➤ Neither of us has formed a civil partnership with anyone else</li> <li>➤ Neither of us is currently nominated as the unmarried partner of anyone else.</li> </ul> </li> <li>• We will tell the scheme administrator in writing if our relationship comes to an end.</li> <li>• We understand that benefits will not be paid unless the partner provides satisfactory evidence that the declaration above is valid when the Police Pension Scheme member dies.</li> </ul>	
Scheme member's signature ( <b><i>signed in the presence of the witness named below</i></b> )	
Date	
Partner's signature( <b><i>signed in the presence of the witness named below</i></b> )	
Date	

<b>Part 4. Witness (Note: the witness is simply required to witness the signing of the form by the scheme member and partner in Part 3 above)</b>	
Name of witness	
Address of witness	
Postcode	
Signature of witness	
Date	

Please return this form to

Dear ...,

**The Police Pension Regulations  
Provision of a Service Certificate**

Re: .....  
D.O.B: .....  
N.I. No: .....

The above named officer who joined the City of London Police on ..... has indicated that they had previous police service with your authority. I should be grateful if you would provide me with an appropriate service certificate.

Please also provide a statement detailing the officer's pension growth in relation to the Annual Allowance for at least the past 3 years (i.e. 201... / 1..., 201... / 1..., and 201... / 1...), ensuring that it includes details of any unused annual allowance for the same periods.

If the officer has made a 'Scheme Pays' election in respect of any growth in excess of the Annual Allowance or holds any form of Lifetime Allowance protection (i.e. IP2016) please also provide these details and any applicable certificates.

I would also be grateful if you would include details of their rates of pensionable pay for the period 01/04/2017 to .....

I trust that the position is clear to you but should you have any queries regarding this matter please do not hesitate to contact .....

Yours faithfully

This page is intentionally left blank

Dear ...,

**The Police Pensions Regulations  
Transfer of Previous Police Service**

Following your appointment with the City of London Police on ....., I have received the enclosed certificate of service from your former police authority.

**The details on the certificate have been noted on your file and input in the police pensions computer system. Therefore it is vitally important that you contact me immediately should you find any of the information on the certificate to be incorrect.**

I trust that the position is clear to you, but should you have any queries regarding this matter please do not hesitate to contact .....

Yours sincerely

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Dear ...,

**The Police Pension Regulations  
Interforce-out Service Certificate**

**Re: .....**     **Date of Birth: .....**     **N.I. No: .....**

The above named officer left the City of London Police on ....., to take up an appointment with the .....

Under the provisions of the above Regulations, I enclose a certificate of service, together with a copy for the officer. I will keep the officer's file on review for a month, unless I have been advised otherwise, at the end of this period I will assume that everything is in order and note the file accordingly.

I trust that the position is clear to you but should you have any queries please do not hesitate to contact .....

Yours faithfully

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**THE POLICE PENSIONS REGULATIONS 2015**  
**CITY OF LONDON POLICE**  
**TRANSFER OF PENSION RIGHTS**

Name:	
N.I. Number:	
Date of Birth:	
Address:	

I, the undersigned, hereby authorise the City of London to enquire into the possible transfer to the Police Pension Scheme, of my pension rights held with:

Name of Previous Employer or Scheme Administrator	
Position Held (if applicable)	
Address of Previous Employer or Scheme Administrator:	

Periods of Scheme Membership			
From:		To	
		:	

Policy Number:	
----------------	--

Signed..... Date.....

Name (BLOCK LETTERS) .....

Please return this form to :-

The Pensions Office  
 City of London  
 PO Box 270  
 Guildhall  
 London  
 EC2P 2EJ

[Type here]

Dear ...,

**The Police Pension Regulations 1987 (as amended)  
Transfer of Pension Rights**

Re:

D.O.B:

N.I. No:

Membership No:

The above named officer who joined the City of London Police on ..... has indicated an interest in the possible transfer of their previous pension rights into the Police Pension Scheme and I enclose a copy of their authorisation to approach you in this respect. For your information they were employed from ..... to ..... as a .....

I should be grateful therefore if you would supply full transfer details to enable them to make a decision, on whether or not to transfer their pension rights held in your scheme, including any details of deferred entitlement.

I would mention that the Police Pension Scheme is able to accept a transfer of Guaranteed Minimum Pension. For your information our scheme reference numbers are PSTR 00328792RP, ECON E3900002R and SCON S2700060B.

I hope that the position is clear to you, but should you have any queries regarding this matter, please do not hesitate to get in touch with ....., on the above extension.

Yours faithfully

This page is intentionally left blank

Dear ...,

**The Police Pension Regulations 1987 (as amended)  
Transfer of Pension Rights –**

I write with reference to your application for a possible transfer of pension rights from the above named pension scheme.

Based on the factors and currently prevailing conditions I can advise you that the transfer being offered would provide an estimated 00 years 000 days service in the Police Pension Scheme.

I should mention that factors used in calculating the service credit may change and therefore it is in your interest to deal with this matter as soon as possible to avoid any considerable variation.

As a rough guide, based on your current pensionable pay, the above service would produce a pension of approximately £ 00,000.00 p.a.. The Police Pension Scheme is a final salary scheme and as such the value of your pension rights will increase with every rise in your pensionable pay.

The additional service that the transfer would provide will also either, enable you to retire earlier than you would otherwise or, increase your pension provision on reaching compulsory retirement age.

**Please note, should you elect to proceed with the transfer your Transitional Protection end date (in relation to the scheme reforms effective from April 2015), will not be affected as this date was determined by your age / service as at 01 April 2012.**

You will appreciate that a transfer of your pension rights to the Police Pension Scheme is an alternative to any other benefit which may be available under your former scheme. It is therefore advisable to satisfy yourself that the transfer is preferable to the alternatives.

**Transferring your previous pension rights into the Police Pension Scheme may not always be in your interest.**

If you wish to transfer your previous pension rights please complete and return the enclosed form. If you should decide not to proceed with the transfer please notify me in writing.

**Service credits have been calculated assuming that there are no changes to the existing scheme. Reforms to the existing scheme are currently being considered. For members subject to the reforms, the value of benefits ultimately received from the service credit could be materially different from those used to calculate the service credit. Members should take independent financial advice before making a transfer into the scheme.**

Should you have any queries regarding this matter please do not hesitate to contact ..... on the telephone number shown at the head of this letter.

Yours sincerely

This page is intentionally left blank

Dear ...,

**The Police Pension Scheme Regulations 1987 (as amended)  
Transfer of Pension Rights**

Re: .....  
N.I. No: .....  
Policy / Employee No: .....

I write further to your letter dated \*\*\*\*\* to confirm that the above named wishes a transfer of pension rights to go ahead. I enclose the relevant authority to make the transfer.

Payment can be made in one of the following ways:

A cheque made payable to the “City of London” and sent to the address at the foot of this letter together with the calculation details.

Or

By BACS to COL Income 1 Account (account number 00312592 and sort code 30-00-00); ensuring that the following reference is quoted: \*\*\*\*\*/PEN/GN

<b>ECON:</b>	<b>E3900002R</b>	<b>SCON:</b>	<b>S2700060B</b>
<b>PSTR No:</b>	<b>00328792RP</b>	<b>Sub Scheme PSTR No:</b>	<b>00617916RK</b>

Thank you for your assistance in this matter. If you have any further queries please contact the telephone number shown at the top of this letter and ask for .....

Yours faithfully

This page is intentionally left blank

Dear ...,

**The Police Pensions Regulations 1987 (as amended)  
Transfer of Pension Rights**

I am writing to advise you that your pension rights with ....., have been transferred to the Police Pension Scheme and you have been credited with 00 years 000 days service, which means that you are now able to count pensionable service from .....

Should you have any queries regarding this matter please do not hesitate to get in touch with ..... in the Pensions Office on the extension shown at the head of this letter.

Yours sincerely

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Dear ...,

### **The Police Pensions Regulations 1987 (as amended)**

With reference to your forthcoming retirement from the Force on ....., I enclose forms PP1 and PP2 which should be completed and returned to this office, to enable the payment of your pension.

You may, if you wish commute part of your pension in favour of a lump sum and I enclose an illustration for your information.

As you will be aware, the Police Pension Scheme Regulations do now, in some circumstances, allow for a commutation lump sum that exceeds the maximum authorised amount as set by HM Revenue & Customs.

For your reference, the enclosed illustration shows both the maximum authorised lump sum and the maximum lump sum permissible under the Police Pension Scheme Regulations (together with the tax implications).

Payment of any commutation lump sum tax liability is the responsibility of the beneficiary of the payment and you would need to report the taxable amount on your self-assessment return, however HMRC will allow the scheme administrator to make payment of the tax charge on agreement of the party liable. Therefore, the attached commutation option form also includes a mandate that you should complete to allow the City of London to pay the tax liability should you chose the maximum permissible commutation lump sum.

The pension will be payable from the date following your last day of service, ..... Police Pensions are paid monthly in advance on the 6<sup>th</sup> of each month or the next available working day if this falls on a weekend or public holiday.

Your first pension payment will be paid on .....; your lump sum will be paid as soon as possible after your last day of service.

**Please note, unless you advise me otherwise in writing, your commutation lump sum will be paid directly into the bank/building society account that you detail on form PP2.**

Please note, this letter is provided for information purposes only. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

I trust that the position is clear to you, but should you have any queries regarding this matter please do not hesitate to contact .....

Yours sincerely

**CITY OF LONDON POLICE**  
**POLICE PENSIONS REGULATIONS**

Name:	
Warrant No:	
Date of Retirement:	

Gross Pension before Commutation:	£ p.a.
-----------------------------------	--------

Maximum **Authorised** Commutation Lump Sum

Amount to be Commuted:	£ p.a.
<b>Residual Pension:</b>	<b>£ p.a.</b>
<b>Authorised Commutation Lump Sum:</b>	<b>£</b>

Maximum Commutation Lump Sum & Unauthorised Payment Charge

Max Amount to be Commuted:	£ p.a.
<b>Residual Pension:</b>	<b>£ p.a.</b>
Gross Commutation Lump Sum:	£
Unauthorised Excess:	£
Unauthorised Payment Charge: (i.e. 40% of the excess)	£
<b>Net Commutation Lump Sum:</b>	<b>£</b>

Dear ...,

### **The Police Pensions Regulations 1987 (as amended)**

I acknowledge receipt of your commutation election form dated .....

Please find enclosed a statement of your pension figures.

Your gross commutation lump sum amounts to £000,000.00. The charge due, £00,000.00, in respect of the portion of the lump sum that exceeds HM Revenue & Customs limits has been deducted and paid over to HMRC on your behalf. You do not need to report the taxable element of your lump sum to HMRC on a self-assessment tax return.

I can confirm that your net lump sum entitlement amounts to £ 00,000.00 and will be paid directly into your nominated bank account on or as soon as possible after .....

I can confirm that the current spouse's notional pension amounts to £ 00,000.00 per annum. I would mention that this figure will be index-linked in line with your own pension.

Your pension will be paid monthly and in advance on the 6<sup>th</sup> of every month, or the next available working day if this is a weekend or public holiday. Payment of your pension will be made direct to your bank/building society and pension pay slips will be sent to the above address but **ONLY** where the monthly amount varies by at least £2.00.

If you have any queries once you are receiving your pension please contact **Pensions Payroll** on ..... You can also access further information on our website, including forms to update your address or bank details, at; <http://www.yourpension.org.uk/CityofLondon/Left-the-Scheme/Pensioners.aspx>

I trust that the position is clear to you but should you have any queries or disagree with any of the details provided regarding your pension entitlement please do not hesitate to contact ..... on the above extension. I am required to advise you that there is an internal dispute procedure should you be dissatisfied or have a complaint regarding your pension entitlement. An application form detailing the procedure, together with the name and address of the appointed official to whom the complaint should be sent, may be obtained from the pensions office. **Please note that this does not relate to medical appeals, which are covered under H2 of the above Regulations.**

Yours sincerely

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**The City of London Police  
Police Pension Scheme 1987 - Commutation Option Form**

A member entitled to a pension may give up a portion of their pension for a lump sum. In order to commute you must give written notice of commutation specifying the portion to be commuted, not earlier than 4 months before your intended retirement, nor later than the day before the pension comes into payment. Please note that we require your notice of commutation BEFORE your last day of service if you wish to avoid penalty tax charged in respect of both your lump sum and residual pension.

Your options are described below. If you choose option 1, no commutation, proceed to the declaration at the bottom of the page. If you choose to take a lump sum option please tick the relevant option box and the declaration at the bottom of the page. If you opt for Option 4 figures may need to be provided.

**Tick one box only**

<p><b>Option 1: I certify that I do not wish to commute any of my pension for a lump sum</b> <input type="checkbox"/></p>
<p><b>Option 2: The maximum <u>Tax Free</u> lump sum under HMRC rules</b> <input type="checkbox"/></p>
<p><b>Option 3: The maximum commutation lump sum available under Scheme rules</b> <input type="checkbox"/></p> <p>I understand that a tax charge of 40 per cent will be levied on the excess above HMRC maximum.</p> <p><b>If you choose this option please complete the attached mandate for payment of tax.</b></p>
<p><b>Option 4: Less than the maximum available under options 1 or 3 in order to obtain*:</b> <input type="checkbox"/></p> <p>a. A lump sum of:</p> <p>b. A residual pension of:</p> <p>c. A percentage of my pension of _____ to be converted to a lump sum</p> <p><b>*only a, b or c needs to be completed if this option is taken</b></p>

**Declaration**

<b>Name:</b>	
<b>DOB:</b>	<b>Warrant Number:</b>
<b>Address:</b>	

Please action my option to commute as detailed above

Signed:

Date:

For any queries, please contact .....

**Pension Lump Sum Payments in excess of HMRC Limits**

If the value of a retirement lump sum is in excess of 25% percent of the overall value of your benefits calculated in accordance with HMRC rules, the part of the lump sum which is above that limit becomes an unauthorised payment and is subject to a charge of 40% tax. New commutation factors, applicable to retirements at or after 19<sup>th</sup> April 2011, result in payments exceeding HMRC tax limits, if you commute to the maximum that the Police Pension Scheme rules allow.

To facilitate your choice of either a retirement lump sum within tax free limits or the maximum available under scheme rules but with a deduction of tax on the excess over HMRC limits, we have provided you with figures showing the lump sum payable and the residual amount of pension after commutation in both cases. For a lump sum in excess of HMRC limits, it is shown with the appropriate deduction for tax and net amount payable.

Payment of the tax liability is the responsibility of the beneficiary of the payment. However, if you opt for the commutation lump sum that attracts a tax penalty, HMRC will accept payment of your unauthorised payment charge from the scheme administrator, on agreement by the party liable. We therefore request that you sign the attached mandate in order that we may discharge the tax liability on your behalf. The advantage to you of completing the mandate is you will not have to make payment of the tax due yourself or provide details to HMRC of the payment giving rise to tax charge and will therefore have nothing further to do.

All unauthorised payments are reported by the City of London to HMRC, who will compare the unauthorised payment entries on our report against their database of tax paid on unauthorised payments.

**Mandate**

**This is required only if you chose Option 3**

**Authority for the City of London to pay the tax liability on an unauthorised payment**

I authorise you to withhold the tax I am due to pay of 40 per cent of that portion of my retirement lump sum which is in excess of HMRC limits as it is an unauthorised payment, on the understanding that you will pay this tax over on my behalf to HM Revenue & Customs.

I understand by giving you this authority I do not need to report the unauthorised payment to HMRC on my self assessment tax return.

Signed.....

Print Name.....

Date.....

**THE POLICE PENSION SCHEME REGULATIONS**

Please complete all 4 sections of this form.

**SECTION 1**

Surname ..... Mr/Mrs/Miss/Ms  
 Forenames .....  
 Date of Birth .....

**SECTION 2**

Please confirm your home address:-

.....  
 ...  
 .....  
 ...  
 .....  
 ...  
 .....

Contact number following retirement: .....  
 E-mail address: .....

**SECTION 3**

Your pension will be paid monthly direct to your bank/building society.  
 Please confirm your bank/building society details. (NB; unless advised otherwise in writing, your commutation lump sum will also be paid directly into this bank account).

Name of Bank/Building Society: .....  
 Branch Address: .....  
 .....  
 Account Holders Name: .....  
 Account Number: .....  
 Sort Code: .....  
 Roll Number (if applicable): .....  
 SWIFT / BIC code (overseas accounts only): .....

**SECTION 4**

Details of current relationship status. (Please tick the relevant box and provide photocopies of the appropriate certificates)

I certify that I am:	Tick	Please provide photocopies of:
Single	[ <input type="checkbox"/> ]	Birth Certificate or passport
Married	[ <input type="checkbox"/> ]	Birth Certificate or passport, Marriage Certificate & spouse's Birth Certificate or passport
Civil Partnership	[ <input type="checkbox"/> ]	Birth Certificate or passport, Marriage Certificate & partner's Birth Certificate or passport

Divorced	[   ]	Birth Certificate or passport & Decree Absolute
Dissolved Civil Partnership	[   ]	Birth Certificate or passport & Dissolution Certificate
Widow / er	[   ]	Birth Certificate or passport & Death Certificate

Signed ..... Date .....

**PP2**

**CITY OF LONDON**  
**Police Pension Scheme Regulations**

**Finance Act 2004 and Finance Bill 2006**  
**DECLARATION OF OTHER PENSION ARRANGEMENTS**

Under the provisions of the above mentioned legislation, from the 6<sup>th</sup> April 2006, the maximum pension benefits that an individual can receive is limited to a Lifetime Allowance (LTA), currently £1.03 million.

A pension scheme member is required to produce a statement to the scheme administrator prior to their pension benefits coming into payment. This is to state whether or not, they are already in receipt or due to receive payment of pension benefits on the same day as their Police Pension comes into payment. These other benefits could be occupational, personal or stakeholder pensions or, Additional Voluntary Contribution schemes (including Freestanding). However, it should be noted that State or Widow/er's Pensions are not included.

Since the 6<sup>th</sup> April 2006, if you have had a pension put into payment, your pension administrators will have told you what percentage of the LTA your pension benefits are worth. If you have had payment of your pension benefits before this date, then the percentage value of the LTA will have to be calculated. The Pensions Office will be prepared to do this calculation for you, if you provide a copy of your most recent pension payslip.

You may provide your own statement or, if you prefer, complete the statement set out below.

**LIFETIME ALLOWANCE STATEMENT**

Surname	
First Names	
Date of Birth	

I hereby state, that when put into payment, my Police Pension will be the only pension, other than state or Widow/er's benefits, that I will be receiving.

I anticipate that on the date my Police Pension comes into payment, other pension payments will either be in payment or coming into payment on the same date and I enclose the following:

- for post 6 April 2006 pension benefit payments the LTA values
- where pensions have come into payment before 6 April 2006, the latest pension payslips.

(please tick ✓ in the appropriate box)

**I hereby declare that this statement is true and fully indemnify the City of London against any tax charge levied by HM Revenue and Customs (HMRC) should this statement prove to be incorrect or untrue**

Signed \_\_\_\_\_ date \_\_\_\_\_

If after submitting this statement, you find that any of the information provided is inaccurate, it will be necessary to provide a further statement.

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**CITY OF LONDON POLICE  
Personal Benefit Statement**

Mr P C Testpps  
011111

Issue Date: August 2018

**Personal Details**

Full Name	P C Testpps
Date of Birth	01/01/1965
National Insurance Number	AB123456C
Payroll Reference	011111
Rank	Constable/Sergeant
Pensionable Pay	£45,000.00
Current Working Hours	Whole Time

It is important that the details above are correct as any inaccuracies will affect all of the calculations below. If any of the above details are incorrect please inform the Pensions Department.

**Present Value of Benefits  
Assuming Service up to 31/03/2018**

Total Service	30 Years 0 Days	
Pension	£30,000.02	(per annum)
Spouses Pension	£15,000.01	(per annum)

**Value of Death Benefits  
Assuming Service up to 31/03/2018**

Death Grant	£90,000.00	
Spouses Pension for first 13 weeks	£862.62	(per week)
Thereafter	£15,000.00	(per annum)

**Name: P C Testpps**

**NI Number: AB123456C**

**Benefits Payable on Retirement**

Date of Retirement	01/04/2018	
Total Service	30 Years 0 Days	
<b>Pension Without Commutation</b>		
Pension	£30,000.02	(per annum)
Spouses Pension	£15,000.01	(per annum)
<b>Commutation - Maximum Lump Sum</b>		
Pension	£22,500.02	(per annum)
Maximum Lump Sum	£162,750.00	
Spouses Pension	£15,000.01	(per annum)

**Value of Pension Debts as at 31/03/2018**

Divorce Debit: £0.00

Scheme Pays Debit: £0.00

PLEASE NOTE: The above debits have been deducted from any of the benefits calculated above.

**Annual Allowance as at 05/04/2018**

Pension Input Amount: £0.00

Carry Forward Amount: £40000.00

**Lifetime Allowance Details as at 31/03/2018**

Value of Crystallised Benefits:

£600000.40

## Your membership details

Your employer supplies us with your membership information.

We have shown any other pension scheme membership transferred to the Police Pension Scheme.

If you believe any of the details are incorrect, please let us know.

Employer	Period		Calendar length years/days	Percentage of whole time	Period of membership years/days
	From	To			
CITY OF LONDON POLICE	01/01/1985	31/03/2018	33/090	100.000000	33/090



## **The Police Pension Scheme Annual Statement**

You will find enclosed your annual pension benefits statement. Please read the following notes as they explain how the figures have been calculated.

Although every effort has been made to ensure that the data held is correct, should you find any information on your statement that is incorrect, please contact Graham Newman in the Pensions Office.

I trust that the position is clear to you, however should you have any questions please do not hesitate to email your query to [policepensions@cityoflondon.gov.uk](mailto:policepensions@cityoflondon.gov.uk)

### **About your statement**

The estimated benefit details are a guide only and do not confer any statutory rights.

All calculations have been based on information held by the Pensions Office and are based upon your pensionable pay and pensionable service as at 31 March 2018.

### **Pensionable pay**

The pensionable pay figure is based on your pay over the preceding year (, which would include your basic pay, London weighting and any pensionable acting up payments. If you are a part-time officer, your pensionable pay will have been increased to a whole-time equivalent rate. Any payments not relating to the final year would be excluded from any final calculations. This pay figure has been used in all (except the lump sum death grant for part-timers) of the following calculations and has not been inflated to take account of future increases.

### **Present Value of Benefits**

If you have less than 25 years' service, a deferred pension benefit will have been calculated, which means that your pension figure will have been enhanced to take account of your hypothetical pension entitlement at compulsory retirement age. Deferred pensions normally become payable at age 60.

If you have at least 25 or more, but less than 30 years' service, you will have a pension entitlement, although there would be a restriction on the amount of commutation lump sum that could be paid (details available on request). Your pension would be based on actual service, and payable from age 50 onwards.

If you have at least 30 years' service you would have an immediate entitlement to pension benefits upon leaving service.

## **Death Benefits**

A death grant is payable if you die while serving, provided you are a member of the Police Pensions Scheme at the time of death. The grant will be paid either to your spouse/civil partner or, if there is no spouse/civil partner, it will be paid to your Estate.

It is important that you keep the Pensions Office informed of any changes to your partnership status, supplying photocopies of any relevant certificates and documents when necessary. If you are unsure of the partnership status currently held by the Pensions Office then please contact them for confirmation.

**Please note.** If you are in receipt of a housing or rent allowance, the weekly value of this allowance should be added to the short term 13 week pension, if shown overleaf.

## **Widow / Widower's Pensions**

You will find that your annual statement shows a potential widow/widower's pension figure. If you are married or in a civil partnership and haven't already done so, please forward a photocopy of the relevant certificates (partner's birth certificate or passport and marriage/civil partnership certificate) to the Pensions Office.

## **Annual Allowance**

The Annual Allowance (AA) is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. The AA was reduced to £40,000 from 6th April 2014.

The AA usually only affects scheme members who are high earners, those who have a significant increase in their pay, those that combine sizeable periods of membership and those that pay large amounts of additional contributions. It also has an effect on members of the 1987 scheme after 20 years of membership when you attain double accrual for each year that you work.

Most scheme members will not be affected by the AA tax charge however we have included the value of your pension input amount in this year's statement based on the information we hold with regards to your Police Pension Scheme benefit. You should add this value to any other pension benefits you have accrued during the year.

You may be allowed to bring forward any unused allowance from the last 3 years. This means that even if the value of your pension savings increase by more than £40,000 in a year you may not be liable to pay the AA tax charge. If you are at risk of exceeding the AA you should seek advice. Further information can be found at <http://www.hmrc.gov.uk/pensionschemes/understanding-aa.htm>

If we think that the increase in your Police Pension Scheme benefits has exceeded the limit for 2017/18 then we will write to you separately by 6th October 2018.

## **Lifetime Allowance**

The Lifetime Allowance (LTA) is a limit on the amount of pension benefit that can be drawn from pension schemes - whether lump sums or retirement income - and can be paid without triggering an extra tax charge.

The figure shown is the value of your accrued benefits in the Police Pension Scheme at 31st March 2018 in relation to the current LTA figure of £1.03m.

While most people aren't affected by the LTA, you should take action if the value of your pension benefits is approaching, or above, the LTA. The test for the LTA is done each time you access a pension benefit.

Dear ...,

### **The Police Pension Regulations 1987 (as amended)**

I write with reference to your recent enquiry regarding your pension entitlement. The attached estimates show your pension benefits based upon an Average Pensionable Pay (APP) of £..... and an assumed last day of service of .....

As you will be aware, the Police Pension Scheme Regulations do now, in some circumstances, allow for a commutation lump sum that exceeds the maximum authorised amount as set by HM Revenue & Customs.

For your reference both the maximum authorised lump sum and the maximum lump sum permissible under the Police Pension Scheme Regulations (together with the tax implications) have been provided.

Please note, the figures shown are an estimate and confer no statutory right. The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

I trust that the above information is clear, but should you have any further queries please do not hesitate to contact ..... on the extension shown at the head of this letter.

Yours sincerely

**Police Pension Scheme Regulations 1987 (as amended)**  
**Estimate of Pension Benefits**

Name:	
Warrant No.	
Date of Birth:	
Date of Retirement:	
Length of Service:	
APP:	

Maximum <b>AUTHORISED</b> Commutation Lump Sum	
Gross Pension:	£ 00,000.00 p.a.
Amount to be Commuted:	£ 00,000.00 p.a.
<b>Residual Pension:</b>	<b>£ 00,000.00 p.a.</b>
<b>Maximum Tax Free Lump Sum:</b>	<b>£ 000,000.00</b>

Maximum Commutation Lump Sum & Unauthorised Payment Charge	
Gross Pension:	£ 00,000.00 p.a.
Amount to be Commuted:	£ 00,000.00 p.a.
<b>Residual Pension:</b>	<b>£ 00,000.00 p.a.</b>
Gross Lump Sum:	£ 000,000.00
Unauthorised Payment Charge:	£ 0,000.00
<b>Net Lump Sum:</b>	<b>£ 000,000.00</b>

Dear ...,

### **The Police Pension Regulations**

I write further to your recent request for an estimate of your pension entitlement.

As you will be aware, the Police Pension Scheme regulations changed with effect from 01 April 2015.

The benefits you will have accrued in the 1987 Scheme are 'Final Salary' benefits which mean they are based upon your Scheme membership and your Average Pensionable Pay (APP) at leaving.

The benefits you will have accrued in the 2015 Scheme are Career Average Revalued Earnings (CARE) benefits. CARE benefits are calculated each year by taking 1/55.3th of your pensionable earnings in that year and adding it to your Pension Account. The amount of pension in your Pension Account at the end of each year is then adjusted in line with the cost of living + 1.25%.

The attached figures assume you remain in the pension scheme and retire from the Force on ..... A pensionable pay figure of £ 00,000.00 has been used for both the Final Salary and the CARE portions of your benefits.

For ease of illustration, the potential benefits you will have accrued under both sets of Regulations have been combined to provide one estimated set of figures.

At retirement you will have the option to commute part of your annual pension in exchange for a lump sum and the figures provided show the maximum lump sum that could be payable.

Please note, the figures shown are an estimate and confer no statutory right.

I trust that the above information is clear, but should you have any further queries please do not hesitate to contact ..... on the extension shown at the head of this letter.

Yours sincerely

## Police Pension Scheme Regulations Estimate of Potential Pension Benefits

Name:	
Warrant No.	
Date of Birth:	
Date of Retirement:	
Length of Service in 1987 Scheme:	
Length of Service in 2015 Scheme:	
Projected Average Pensionable Pay for Final Pay calculation:	
Projected pensionable pay for CARE calculation:	

<b>Projected Annual Pension</b>	
Projected 1987 Scheme Pension:	£ 00,000.00 p.a.
Projected 2015 Scheme Pension:	£ 00,000.00 p.a.
<b>Total Gross Projected Pension:</b>	<b>£ 00,000.00 p.a.</b>
<b>If Maximum Commutation Lump Sum Required</b>	
Amount to be Commuted:	£ 00,000.00 p.a.
<b>Total Residual Pension:</b>	<b>£ 00,000.00 p.a.</b>
<b>Maximum Lump Sum:</b>	<b>£ 000,000.00</b>

Dear ...,

### Police Pension Scheme – Annual Allowance 2017 / 18

I am writing to you with regards to your Annual Allowance, this is the limit set by HMRC by which the value of your pension benefits may increase in any one year. You are assessed on pension benefits in all tax-registered pension arrangements that you (or an employer) have paid in to in a tax year.

The Annual Allowance is measured over the fund's Pension Input Period (PIP) of 6 April to 5 April. The Annual Allowance for the tax year 2017 / 18 is £40,000.00

You would only be subject to an annual allowance tax charge if the value of your pension savings for a tax year increases by more than £40,000. However, a three year carry forward rule allows you to carry forward unused annual allowance from the last three tax years. This means that even if the value of your pension savings increases by more than £40,000 in a year you may not be liable to the annual allowance tax charge. To carry forward unused annual allowance from an earlier year you must have been a member of a tax registered pension scheme in that year.

Please note, if you have pension benefits in a separate scheme in which you are/were an active member in the last three years you will need to add the annual allowance used under those arrangements to determine the full potential taxable excess.

If, after taking account of any unused annual allowance carried forward from the last three tax years, your pension growth for the year exceeds the annual allowance you are responsible for reporting this to HMRC on your self-assessment tax return. Your return should be submitted by 31 January of the year following that in which the tax year ended at the latest i.e. 31 January 2019.

This letter is to clarify your Annual Allowance used in the Police Pension Scheme (PPS), the attached figures do not include benefits you may have accrued in other pension arrangements you may have elsewhere.

The 2017 / 18 pension savings year for the PPS ran from 6 April 2017 to 5 April 2018 and I have calculated your position as follows:

Tax Year	Annual Allowance	Pension Growth	Excess / Unused Annual Allowance
2017/ 18	£ 40,000.00		
2016 / 17	£ 40,000.00		
2015 / 16*	£ 40,000.00		
2014 / 15	£ 50,000.00		
2013 / 14	£ 50,000.00		

\*A change to the regulations caused the 2015 / 16 year to be split into two periods. The Annual Allowance that applied in total across the year was £80,000. However, the £80,000 is initially applied to the first period with a restricted £40,000 of the unused Allowance available to carry forward to the second period.

The total growth of your pension benefits in the Police Pension Scheme for 2017 / 18 was **£000,000.00** which means you have exceeded the annual allowance figure by £ 000,000.00.

However, after taking account of the available unused allowances from the 3 preceding tax years to offset this amount the excess is reduced to **£00,000.00**.

Your un-used carry forward to 2018 / 19 is £ 0.00.

**As your pension growth has exceeded the 2017 / 18 annual allowance you are required to complete a Self-Assessment tax return to determine the income tax owed on the excess. Paper tax returns must be completed by midnight on 31 October 2018, online tax returns must be completed by midnight on 31 January 2019.**

After completing the Self-Assessment return, HMRC will notify you of the tax charge owed on the excess.

If your charge liability exceeds £2,000 you can request the City of London pays the charge to HMRC on your behalf in return for a reduction to your pension benefits. Your request for this option must be received by the scheme by 31 July following the tax year to which the charge relates. For example, if the charge is accrued in 2017 / 18 then your notification must be received by 31 July 2019, or your date of retirement if this is earlier. The application form for this option is enclosed.

If your marginal rate of tax is 40%, based upon the excess quoted previously (£ 00,000.00), your estimated charge liability in the Police Pension Scheme for 2017 / 18 is £ 00,000.00.

**Please note, the charge liability quoted is an estimate based upon your marginal rate of tax being 40%. It is the responsibility of the scheme member to ascertain whether or not this is the correct rate and calculate the charge liability accordingly.**

Should you elect to apply for 'Scheme Pays' to meet the tax liability a permanent reduction will be made to your pension when you retire.

The current value of the debit that would be made to your pension to cover the estimated tax liability shown above is £ 0,000.00 p.a.

This debit will be index-linked between the year the charge was incurred and the point of retirement and is calculated on the assumption that you retire from the Force at age 60. Should you retire earlier than age 60 the deduction will be reduced to account for early payment or increased if you retire after age 60.

If you elect to use the 'Scheme Pays' mechanism you are still required to include the amount of the annual allowance charge on your Self-Assessment tax return which should be submitted by 31 January of the year following that in which the tax year ended at the latest.

If you have any queries in relation to this matter please contact .....

Yours sincerely

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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By virtue of paragraph(s) 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

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