

Appendix 3r

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 6th 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.
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Maximum **Authorised** Commutation Lump Sum

Amount to be Commuted:	£ p.a.
Residual Pension:	£ p.a.
Authorised Commutation Lump Sum:	£

Maximum Commutation Lump Sum & Unauthorised Payment Charge

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