



City of London Police Pensions Board

Date: TUESDAY, 11 OCTOBER 2022
Time: 2.00 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: John Todd, Scheme Member (Chairman)
Alderman Alexander Barr, Scheme Administrator (Deputy Chairman)
Henry Colthurst
Helen Isaac, Scheme Administrator
Tim Parsons, Scheme Member

Enquiries: Richard Holt
Richard.Holt@cityoflondon.gov.uk

Accessing the virtual public meeting Members of the public can observe this public meeting at the below link:

<https://youtu.be/VPUwF4GY-OQ>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

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

3. **MINUTES**

To approve the draft minutes of the previous meeting of the City of London Police Pensions Board held on the 7th of June 2022.

For Decision
(Pages 5 - 8)

4. **THE CITY OF LONDON: POLICE PENSION SCHEME - UPDATE**

Report of the Chamberlain.

To be read in conjunction with a non-public appendix at Item 11.

For Information
(Pages 9 - 30)

5. **THE CITY OF LONDON: POLICE PENSION SCHEME – RISK REGISTER**

Report of the Chamberlain.

For Information
(Pages 31 - 52)

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

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

8. **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 of business on the grounds they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

9. **NON-PUBLIC MINUTES**

To agree the draft non-public minutes of the previous meeting of the City of London Police Pensions Board held on the 7th of June 2022.

For Decision
(Pages 53 - 54)

10. **THE COL: POLICE PENSION SCHEME STATISTICAL DATA**
Report of the Chamberlain.

For Information
(Pages 55 - 58)

11. **NON-PUBLIC APPENDIX**
Non-public appendix to be read in conjunction with Item 4.

For Information
(Pages 59 - 60)

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

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

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CITY OF LONDON POLICE PENSIONS BOARD

Tuesday, 7 June 2022

Minutes of the meeting of the City of London Police Pensions Board held at the Guildhall EC2 at 2.00 pm

Present

Members:

John Todd (Chairman)
Deputy Henry Colthurst

Helen Isaac
Tim Parsons

Officers:

Richard Holt	- Town Clerk's Department
Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Alistair Cook	- Head of Police Authority Finance

1. **APOLOGIES**

Apologies were received from Alexander Barr.

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

There were no declarations of interest.

3. **MINUTES**

The Board considered the public minutes and non-public summary of the previous meeting of the City of London Police Pensions Board held on the 7th of June.

The Board that Helen Issac gave her apologies for the previous meeting and asked that this be updated in the record.

RESOLVED- The public minutes and non-public summary of the previous meeting held on the 9th of February, subject to the correction specified, be approved as an accurate record.

4. **OUTSTANDING REFERENCES**

The Board received a joint report of the Town Clerk and Commissioner regarding the public outstanding references of the previous meeting.

RESOLVED- That the report be noted.

5. **THE CITY OF LONDON: POLICE PENSION SCHEME - UPDATE**

The Board received a report of the Chamberlain regarding the City of London Police Pensions Scheme update.

RESOLVED- That the report be noted

6. **THE CITY OF LONDON: POLICE PENSION SCHEME - RISK REGISTER**

The Board received a report of the Chamberlain regarding the City of London Police Pension Scheme Risk Register.

Following a question from the Chairman Officers confirmed that the compliance of the City of London Police with the obligations as previously agreed would be confirmed.

RESOLVED- That the report be noted.

7. **THE CITY OF LONDON POLICE PENSION BOARD - REVIEW OF ACTIVITIES FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022**

The Board considered a report of the Chamberlain on the City of London Police Pension Board Review of Activities for the period 1 April to 31 March 2022.

RESOLVED- That the Board noted the report it will be submitted as a public report to the next City of London Police Authority Board.

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

There were no questions in the public session.

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

There were no items of urgent business considered in the public session.

10. **EXCLUSION OF THE PUBLIC**

RESOLVED, that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

11. **NON-PUBLIC MINUTES**

The Board considered the non-public minutes of the City of London Police Pensions Board meeting held on the 9th of February.

RESOLVED- That the non-public minutes of the City of London Police Pensions Board meeting held on the 9th of February be approved as an accurate record.

12. **NON-PUBLIC APPENDIX**

The Board received a non-public appendix for the report on the City of London Police Pensions Scheme update.

RESOLVED- That the report be noted.

13. **THE COL: POLICE PENSION SCHEME STATISTICAL DATA**

The Board received a report of the Chamberlain on the City of London Police Pension Scheme Statistical Data.

RESOLVED- That the report be noted.

14. **PRESENTATION ON LATEST POSITION ON MCCLLOUD**

The Board received a presentation from the Chamberlain which provided the latest position on McCloud McCloud ruling.

RESOLVED- That the presentation be noted.

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

There were no questions received in the non-public session.

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

There were no items of urgent business considered in the non-public session.

The meeting closed at 2.58 pm

Chairman

**Contact Officer: Richard Holt
Richard.Holt@cityoflondon.gov.uk**

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Committee: Police Pensions Board	Date: 11 October 2022
Subject: The City of London: Police Pension Scheme - Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Information
Report author: 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.

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
Documentation of all of the communications which are circulated to Scheme Members	Documents that have been amended / updated since the last review have been provided (Appendices 2.1 – 2.3)
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	There have been no complaints made under the Internal Dispute Resolution Procedures since the last Board meeting.
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.
Data Protection Act 2018 (DPA18) – Data Retention Policy	No amendments since last Board meeting.
General Data Protection Regulation (GDPR) / Data Protection Act 2018 (DPA18) – Privacy Notice	No amendments since the last Board meeting.

Guaranteed Minimum Pensions (GMP) Reconciliation	<p>The project is still expected to be completed by 31 March 2023.</p> <p>A report will be brought to the Board once the reconciliation has been completed.</p>
Procurement of Pension Administration System	<p>The Pensions Office has started work to introduce 'Member Self Service'. This system has the potential to allow members to access their pension record, make amendments to selected personal data (i.e. name, partnership status, death grant nominees) and to run their own retirement estimates. It may also provide a platform for providing annual benefit statements and other bulk mailings.</p>
Legal Challenge 1	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>On 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to implement the 'McCloud Remedy' in the public service pension schemes and it is to be implemented in two phases.</p> <p>Phase one was to move all remaining active members of the 'legacy' schemes (Police Pension Schemes 1987 and 2006) into the new scheme (Police Pension Scheme 2015) with effect from 1 April 2022.</p> <p>Phase two will be to implement the deferred choice underpin which will give eligible members the choice between legacy scheme or new scheme membership for the period 1 April 2015 to 31 March 2022.</p> <p>The Act confirms that Phase Two must be implemented by 1 October 2023 at the latest, but we still await the regulations that confirm how it is to be implemented.</p>
Legal Challenge 2	<p><u>Evans & Ashcroft vs Chief Constable of South Wales</u></p> <p>This is a court of appeal case in respect of the Police (Injury Benefit) Regulations 2006.</p> <p>Guidance from the Home Office / Police Pensions Technical Group is awaited. Once</p>

	received, a communication that can be sent to officers that make enquiries will be prepared.
Task Statistics	At the 12 June 2019 Board meeting, Members asked for statistics of the administration work carried out by the Pensions Office to be added as a standing item. Update provided (Appendix 3).
Pension Board Training	Board Members are asked to consider any topics of training they would like to cover in the coming year ahead. Details in respect of training modules completed by each Member are included on the Non-Public agenda. (Appendix 4).
The Target Operating Model (TOM)	The Chamberlain's Department is now progressing the implementation of its TOM. In terms of the Pensions Office, the only changes were to line manager reporting.

Recommendation

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

Appendices:

- Appendix 1 – Annual Schedule of events
- Appendix 2 – Scheme Documentation
- Appendix 3 – Statistical information
- Appendix 4 – Member Training (NON-PUBLIC)

Contact:

Graham Newman
Pensions Manager
Chamberlain's Department
Email: graham.newman@cityoflondon.gov.uk

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

Date Due	Event	Date Completed
July 2022	HMRC Event Report / Tax Return for June Quarter	None to report
31 August 2022	Issue of Annual Statements Deadline	26 August 2022
October 2022	HMRC Event Report / Tax Return for September Quarter	
6 October 2022	Deadline for the issue of Pension Saving Statements (Annual Allowance letter)	
October 2022 (TBC)	Deadline for Home Office audited finance return (2021/22) and updated forecast for 2022/23	
November 2022 (TBC)	Deadline for Scheme Return to the Pensions Regulator	
January 2023	HMRC Event Report / Tax Return for December Quarter	
February 2023 (TBC)	Deadline for Pensions Regulator Scheme Survey	
March / April 2023	Submit IAS19 data to Scheme Actuary	
1 April 2023	Employee Contribution band implementation	
1 April 2023	Employer Contribution implementation	
1 April 2023	Revaluation of CARE benefits	
First Monday in April after 6 April 2023	Pensions Increase – Annual Inflation Increase	
May 2023 (TBC)	Home Office Year End Finance Return and 5 year forecast	
October 2023	Implement stage two of McCloud Remedy – dependent upon the necessary legislation being passed.	

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List of documents in Appendix 2

Appendix 2.1	Annual Benefit Statement covering notes
Appendix 2.2	Estimate letter
Appendix 2.3	Retirement illustration letter

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Annual Benefit Statement 2022 – Accompanying Notes

Personal Details

Partnership Status: C – civil partnership; D – divorced; M – married; P – nominated partnership; S – single; W – widow(er).

The partnership status shown on your statement reflects the information currently held by the Pensions Office. If this is incorrect please supply copies of the relevant certificates in order that your record can be updated.

PPS 2015 Start Date: This is the date at which you moved into the Police Pension Scheme 2015.

Summary of Total Benefits at 31 March 2022

Pension accrued in the Police Pension Scheme 1987 and the Police Pension Scheme 2006 are final salary benefits. Pension accrued in the Police Pension Scheme 2015 are Career Average Revalued Earnings (CARE) benefits.

The section provides a summary of the benefits you have accrued in both parts of the Scheme. Sections 3 and 4 provide a breakdown of the value of the benefits you have accrued in each part of the Scheme.

Death in Service Lump-sum: The value of the death in service lump sum is 3 times your pensionable pay at the date of death.

Annual Survivor Pension: The survivor benefits are based upon the final salary survivor benefits accrued to later of 31st March 2015 or taper date, plus 2015 Scheme survivor benefits, plus any added years.

Nominated Beneficiaries: The Death in Service Lump-sum must be paid to a spouse, civil partner or nominated co-habiting partner. If none of these are applicable the officer may nominate beneficiaries to receive the Lump-sum. Please note, in these circumstances the administering authority retains absolute discretion as to whom the death grant is paid.

If this box is blank the Pensions Office does not hold any nomination details. If you are not married or in a civil partnership and do not have a nominated co-habiting partner and you wish to add a beneficiary or make amendments to those already shown please contact the Pensions Office to request the relevant form.

Career Average Pension Benefits as at 31 March 2022

(Payable from): The date shown is the Normal Pension Age (NPA) in the 2015 Scheme, i.e. age 60, but benefits can be drawn as early as age 55 or as late as age 75. If an officer retires before age 60 their 2015 Scheme benefits would be actuarially reduced; if they retire after age 60 their 2015 Scheme benefits would be actuarially enhanced.

Pensionable Pay for the year ending 31 March 2022: This is the amount of pensionable pay paid to you in the relevant year ending 31 March. In addition, if you had been on reduced contractual pay or no pay due to sickness or injury, or on ordinary or paid additional maternity, paternity or adoption leave or shared parental leave or on reserve forces leave, the pay figure will also include an Assumed Pensionable Pay for those periods.

Increase for the cost of living (added 1 April 2022): Your 2015 scheme pension will be increased by a revaluation order each year on 1st April. The revaluation order for the Police scheme is based on average weekly earnings and for the 2021/22 year will be applied at 4.35%. However, as this statement is at 31st March 2022 it does not include the latest revaluation as it is not applied until 1st April 2022.

1987 / 2006 Pension Benefits as at 31 March 2022 (payable from ...)

This is the current value of the benefits you have accrued in the final salary part of the scheme. If you joined the Police Pension Scheme after 1st April 2015 you will not have any final salary benefits unless you have transferred-in benefits from a previous final salary pension scheme.

Projections/Forecasts

Please note that this year's Annual Benefit Statement only provides an estimate of your pension benefits built up in your current scheme membership to 31/03/2022.

On 1 April 2022 the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA) came into force, and confirmed that members will be returned to their final salary schemes for the period 1 April 2015 to 31 March 2022 in powers that will be enacted by 1 October 2023. This is known as the retrospective remedy.

We understand that it will be disappointing to members that the current values of this year's statement will not be able to reflect the return to the legacy scheme for the remedy period, however the secondary legislation required to do this will not be in force until 1 October 2023.

Because projections on your pension entitlement assume that your service in the 2015 scheme has been ongoing since 1 April 2015 or your relevant taper date, we have taken the decision to remove projections from this year's statement. However, the following link to the NPCC pension calculator will allow you to model benefits going forward: www.myownpension.co.uk/police-member/legal-challenge/#collapae15

Your return to the legacy scheme will be reflected in your 2024 statement once the secondary legislation has passed.

Value of Pension Debits

If your benefits have been subject to a Pension Sharing Order as a result of a divorce settlement, or you have elected to use 'Scheme Pays' to meet your tax liability as a result of exceeding the Annual Allowance in a previous year, the current value of the debit by which your total benefits will be reduced at retirement is shown here.

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 is currently £40,000.

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 2021/22 then we will write to you separately by 6 October 2022.

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 31 March 2022 in relation to an LTA figure of £1.0731m.

While most people are not 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 completed each time you access a pension benefit.

Service History Details

This is the information currently held by the Pensions Office. If you believe that this is incorrect or have any other queries please contact the office at policepensions@cityoflondon.gov.uk remembering to quote your name and warrant number.

Age Discrimination - McCloud

On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to eligible members in service as at 31 March 2012 in all the main public service pension schemes.

As mentioned previously the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA) came into force with effect from 1 April 2022.

The initial legislation confirmed that eligible members will be moved back into their final salary scheme for the period 1 April 2015 to 31 March 2022. However, secondary legislation is required to enact the remedy and this will not come into force until 1 October 2023.

If you are affected by the changes they will be applied automatically – you do not need to make a claim, we will contact you.

Officers that retire before the necessary secondary legislation has been passed will have these options provided retrospectively once it is possible to do so.

Further information can be found at <https://police.cityoflondonpensions.org/> and at www.myownpension.co.uk/police-member/legal-challenge/#collapae15

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).

City of London Police Pensions

Contact Details

Email: policepensions@cityoflondon.gov.uk

Web: www.police.cityoflondonpensions.org

Post: Pensions Manager, City of London, Guildhall, PO Box 270, London EC2P 2EJ

If you have a query regarding this statement, please email:
policepensions@cityoflondon.gov.uk

**Nothing in this statement can override the provisions of the
Local Government Pension Scheme Regulations**

Dear

The Police Pension Regulations

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

As you will be aware, your Police Pension Scheme benefits have been accrued during membership to both the Police Pension Scheme 1987 (PPS1987) and the Police Pension Scheme 2015 (PPS2015). The two schemes have separate distinct rules, accrual rates and retirement dates.

The attached figures show a summary of the potential benefits you will have accrued in both the 1987 and 2015 Schemes and shows your annual pension and the maximum permitted lump sum that would be payable at the given date of retirement.

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. Please note, your 1987 scheme benefits will retain their 'final salary' link and will therefore be calculated with reference to your APP when you leave the Force and not the date at which your 1987 scheme membership ended.

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%.

Please find attached estimate has been calculated on the assumption that 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 both estimates.

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.

The normal retirement age in the 2015 Scheme is 60, but officers can retire as early as age 55 and receive actuarially reduced benefits. The figures shown have had the actuarial reduction applied to this portion of the benefits.

Commutation

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.

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

McCloud

Please note, the attached figures have been calculated with reference to the current Scheme Regulations. As you will be aware, the recent 'McCloud' legal case in respect of the protections that were awarded following the 2015 Scheme reforms found that the original protections were deemed to be discriminatory on the grounds of age. As a result, a remedy will be implemented to amend the Police Pension Schemes accordingly.

The initial legislation has now been passed and all officers that were originally given 'Full Protection' from the 2015 reforms have been moved into the 2015 Scheme with effect from 1 April 2022.

We now await the secondary legislation which will allow all eligible police officers that were originally awarded 'tapered protection' or 'no protection' from the 2015 reforms to be retrospectively moved back into their 'legacy scheme' up until 31 March 2022.

At retirement, all eligible officers will then be given the choice as to how their service for the period 1 April 2015 to 31 March 2022 is to be treated, either as membership to their 'legacy scheme' or as membership to the 2015 Scheme. Comparative figures will be supplied to police officers when they retire to allow them to make an informed choice. All benefits accrued under the terms of the 'legacy scheme' will continue to be protected under the terms of that Scheme's Regulations.

Officers that retire before the necessary secondary legislation has been passed will have their pension benefits amended retrospectively once it is possible to do so. Please be aware, it is likely that the retrospective amendment to move officers back into their 'legacy scheme' will not take place until October 2023.

This information is based on our understanding of the expected secondary legislation, which could change before it becomes effective in law. Therefore, until further clarification and guidance has been provided I am not able to provide any further information, including estimated retirement benefits based on the expected Regulations. Information in respect of the forthcoming changes will be provided to officers as further details become available.

Please be aware, 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 me at

Police Pension Scheme Regulations Estimate of Pension Benefits

Name:	
Warrant No.	
Date of Birth:	
Date Moved into 2015 Scheme:	
Date of Retirement:	
APP for Final Salary Calculation:	
Pensionable Pay for CARE Calculation:	

Maximum AUTHORISED Commutation Lump Sum	
Total Gross Pension:	£ 00,000.00 p.a.
Amount to be Commuted:	£ 00,000.00 p.a.
Total Residual Pension:	£ 00,000.00 p.a.
Total Maximum Authorised Lump Sum:	£ 000,000.00

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

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Dear

The Police Pensions Scheme Regulations

I write with reference to your forthcoming retirement from the Force on

As you will be aware, your Police Pension Scheme benefits have been accrued during membership to both the Police Pension Scheme 1987 (PPS1987) and the Police Pension Scheme 2015 (PPS2015). The two schemes have separate distinct rules, accrual rates and retirement dates.

Police Pension Scheme 1987 (PPS1987)

Under the terms of the PPS1987 regulations, the benefits you accrued in the PPS1987 up to are payable immediately upon your retirement from the Force.

These benefits are 'Final Salary' benefits which mean they are based upon your Scheme membership and your Average Pensionable Pay (APP) at leaving.

I enclose forms PP1 and PP2 which should be completed and returned to this office, to enable the payment of your PPS1987 pension.

You may, if you wish commute part of your PPS1987 pension in favour of a lump sum and I enclose an illustration for your information.

As you will be aware, the Regulations do, 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.

Police Pension Scheme 2015 (PPS2015)

The benefits you have accrued from onwards are in the PPS2015. These benefits 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 normal pension age (NPA) in the 2015 Scheme is 60, but officers can retire as early as age 55 and receive actuarially reduced benefits (the reduction calculated with reference to how much earlier than age 60 they are choosing to leave), this is the normal minimum pension age (NMPA).

Please find enclosed an illustration of the actuarially reduced PPS2015 benefits that are payable from your date of leaving the Force on You may, if you wish commute part of your PPS2015 pension in favour of a lump sum and details of this option are included.

If you elect not to take your 2015 Scheme benefits at this time they will be deferred in the Scheme until you reach State Pension Age (SPA). You will be able to claim them at an actuarially reduced rate before this date with the actuarial reduction based upon how much earlier than SPA they are being claimed.

I enclose form PP15ELECTION which you should complete and return to indicate whether or not you wish to receive immediate payment of your 2015 Scheme benefits.

If you do wish to receive immediate payment of your 2015 Scheme benefits please also complete and return forms PP115 and PP215.

McCloud

Please note, the attached figures have been calculated with reference to the current Scheme Regulations. As you will be aware, the recent ‘McCloud’ legal case in respect of the protections that were awarded following the 2015 Scheme reforms found that the original protections were deemed to be discriminatory on the grounds of age. As a result, a remedy will be implemented to amend the Police Pension Schemes accordingly.

The initial legislation has now been passed and all officers that were originally given ‘Full Protection’ from the 2015 reforms have been moved into the 2015 Scheme with effect from 1 April 2022.

We now await the secondary legislation which will allow all eligible police officers that were originally awarded ‘tapered protection’ or ‘no protection’ from the 2015 reforms to be retrospectively moved back into their ‘legacy scheme’ for the period from which they were originally moved into the 2015 Scheme up until 31 March 2022.

At retirement, all eligible officers will then be given the choice as to how their service for the period 1 April 2015 to 31 March 2022 is to be treated, either as membership to their ‘legacy scheme’ or as membership to the 2015 Scheme. Comparative figures will be supplied to police officers when they retire to allow them to make an informed choice. All benefits accrued under the terms of the ‘legacy scheme’ will continue to be protected under the terms of that Scheme’s Regulations.

Officers that retire before the necessary secondary legislation has been passed will have their pension benefits amended retrospectively once it is possible to do so. Please be aware, it is possible that the retrospective amendment to move officers back into their ‘legacy scheme’ will not take place until October 2023.

This information is based on our understanding of the expected secondary legislation, which could change before it becomes effective in law. Therefore, until further clarification and guidance has been provided I am not able to provide any further information, including estimated retirement benefits based on the expected Regulations.

Payment of your Police Pension

Your 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.

If possible, your first pension payment will be paid on, however, if it is not possible to add you to the pension payroll in time for this pay period you will receive your first payment in the following month and this will include any arrears owed. 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 / PP215.

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

CITY OF LONDON POLICE

Police Pension Scheme 1987

Illustration of Retirement Benefits

Name:	
Warrant No:	
Date of Retirement:	

Annual Pension without Commutation Lump Sum

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:	£

CITY OF LONDON POLICE

Police Pension Scheme 2015

Illustration of Retirement Benefits

Name:	
Warrant No:	
Last Day of Service:	
Date of Birth:	

Gross Annual Pension:	£ 00,000.00 p.a.
Actuarial Reduction for Early Payment:	£ 00,000.00 p.a.
Pension after Early Payment Reduction:	£ 00,000.00 p.a.

You are entitled to commute part of your 2015 Scheme annual pension to provide a tax-free commutation lump sum.

If you wish to receive the maximum lump sum the details would be as follows:

Pension after Actuarial Reduction:	£ 00,000.00 p.a.
Amount to be commuted:	£ 00,000.00 p.a.
Residual Annual Pension:	£ 00,000.00 p.a.
Commutation Lump Sum:	£ 00,000.00

You may, if you wish, 'buy-out' the Early Payment Reduction shown above. The cost to do so is as follows:

Cost to 'buy-out' the early payment reduction:	£ 00,000.00
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If you wish to receive a revised illustration of your benefits assuming you 'buy-out' the early payment reduction, please contact the Pensions Office

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Agenda Item 5

Committee: Police Pensions Board	Date: 11 October 2022
Subject: The City of London: Police Pension Scheme – Risk Register	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	n/a
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	For Information
Report author: Graham Newman – Chamberlain’s Department	

Summary

This report reviews the Risk Register for Police Pensions Board. The Risk Register details the key risks that the Board has identified alongside a risk score which indicates the likelihood of a risk being realised together with the potential impact and the appropriate mitigations.

When reviewing the risks, the Board should be aware that generic risks are also included in the Pensions Committee risk register. The risks are CHB COLP PSB 02 Legislative Compliances, CHB COLP PSB 04 Pension Scheme Administration, CHB COLP PSB 05 Pension Fraud and CHB COLP PSB 07 Cyber security.

Officers have conducted a preliminary review of the Risk Register and are not recommending any changes to the current scores.

The Risk Register is included at Appendix 1 with risk updates underlined throughout. The Risk Register is reviewed at each meeting by the Police Pensions Board and more frequently by officers, who report any material changes or new risks identified in between reviews on an exceptions basis

Recommendation

Members are asked to:

- review the existing risks and actions present on the Police Pension Board’s Risk Register, and confirm that appropriate control measures are in place; and
- consider whether there are any further risks relating to the pension administration overseen by the Police Pension Scheme Board

Main Report

Background

1. The Police Pension Board instituted a Risk Register to help identify and manage the strategic risks facing the Board in discharging its responsibilities to oversee administration of the Police Pension Scheme. The current Risk Register, as agreed by the Board on 7 June 2022, is included as Appendix 1.
2. The Board reviews the Risk Register at each meeting. Officers review the register more frequently and report any material changes between reviews on an exceptions basis to the Board. This is in line with standard risk review procedures across the rest of the City of London Corporation.

Current Position

3. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee in May 2014. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 2 of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised "green", "amber" or "red".

Proposals

4. The Risk Register is attached at Appendix 1 and the Risk matrix at Appendix 2.

Mitigation of amber and red risks

5. The risk, CHB COLP PSB08 – McCloud Legal Case, has been given an overall risk score of red 16. The changes to be made to the Police Pension Scheme as a result of the McCloud Judgement are guaranteed which means the likelihood must be recorded at the highest level. The impact of the changes will be potentially very high and is therefore recorded as 'Major'. At this stage Officers consider that it is not possible to reduce the likelihood of this risk, but it may be possible to mitigate the impact.
6. On 10 March 2022 the Public Service Pension and Judicial Offices Act 2022 received Royal Assent. The main purpose of the Act was to support the implementation of the McCloud remedy in the public service pension schemes and is to be implemented in two phases.
7. Phase one took effect from 1 April 2022 and moved all remaining active members of the 'legacy' pension schemes (the Police Pension Schemes 1987 and 2006) into the new scheme (the Police Pension Scheme 2015).
8. Phase two will be in respect of the implementation of the deferred choice underpin and will give eligible members the choice between legacy scheme and new scheme membership for the period 1 April 2015 and 31 March 2022.
9. The Act confirms that Phase two must be implemented by 1 October 2023 at the latest, but further consultation and regulatory changes are required to allow this to happen.
10. By ensuring awareness of all correspondence and consultation documents that are published and by attending all available seminars/webinars, forums and user groups the Pensions Office will have as much advance knowledge and understanding as possible of the changes. This preparedness will mean the impact of the changes may not be as severe as it would have been otherwise.

11. The scores for the risks have been maintained at their previous levels, although these risks have each been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout with deletions being struck through.
12. Officers have also considered whether any new risks have emerged since the last review. Although the Board's operating environment continually changes officers have determined that the existing Register captures the material risks facing the Board and enables the Board to concentrate on the most prescient risks.
13. Each risk presented in the Risk Register is accompanied by one or more "action(s)" which reflect how the risk is managed and mitigated. A "due date" for required completion is set against each action. Due to the nature of the risks overseen by the Board, in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual due date, which will be renewed each year.

Conclusion

14. The risks overseen by the Police Pension Board are primarily of low likelihoods but may represent substantial impact. The Board is requested to confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the Risk Register.

Appendices:

Appendix 1 – Risk Register

Appendix 2 – Risk Matrix

Contact:

Graham Newman

Email: graham.newman@cityoflondon.gov.uk

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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 left (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.

(C) Risk scoring grid

		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)

Page 35

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	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

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	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

Version date: December 2015

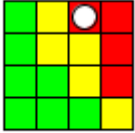
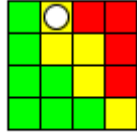

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CHB CoLP Pensions Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Chris Anastasi
Generated on: 23 September 2022



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
Page 1 CHB COLP PSB 08 McCloud Legal Case	<p>Cause: Implementation of the remedy process following the resolution of the McCloud judgement.</p> <p>Event: The impact to the pension administration team of implementing the McCloud judgement remedy.</p> <p>Effect: The Pensions Office is unable to adequately comply with required administration processes arising from the resolution of the McCloud judgement.</p>	 Likelihood Impact	<p>16</p> <p>In 2015 the Police Pension Scheme, was reformed. These reforms included ‘transitional protection’, for people closer to retirement. In December 2018, the Court of Appeal ruled that this directly discriminated against some younger pension scheme members – this is now referred to as the McCloud Judgement or McCloud.</p> <p>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the Police Pension Scheme.</p> <p>On 16 July 2020 the government published a consultation document that sets out options for how the</p>	 Likelihood Impact	<p>8</p> <p>1 Oct 2023</p>	

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 38</p> <p>22-Jan-2021 Graham Newman</p>			<p>government will remove the discrimination.</p> <p>On 4 February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.</p> <p>The Home Office also released a document relating to the government response but aimed specifically at the Police Pension Scheme. Their document gives general details as to how the remedy proposal would work for the Scheme.</p> <p>On 10 March 2022 the Public Services and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to support the implementation of the McCloud remedy and is to be implemented in two phases.</p> <p>Phase one took effect from 1 April 2022 and moved all remaining active members of the legacy schemes into the 2015 Scheme.</p> <p>Phase two will be in respect of implementation of the deferred choice underpin. The Act confirms this must be in place by 1 October 2023, but further regulatory changes and guidance are required before this can <u>happen</u>.</p> <p>24 May 2022</p>				<p>Constant</p>
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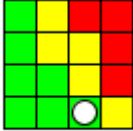
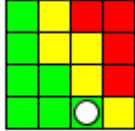

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 08a	Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.	Staying aware of all relevant correspondence issued by the Home Office / TWB and regular attendance at seminars, forums, webinars and user groups.	Graham Newman	24 May 2022	1-Oct-2023
CHB COLP PSB 08b	Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.	Regular contact and discussion between all relevant parties – Force HR / Force Finance / Pensions Administration.	Graham Newman	24 May 2022	1-Oct-2023
CHB COLP PSB 08c	Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.	Working in conjunction with Force HR to prepare communications and standard responses (FAQs) to be sent to affected officers.	Graham Newman	24 May 2022	1-Oct-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 02 Legislative compliance 30-Aug-2019	Cause: (i) Lack of appropriate knowledge or skill. (ii) Lack of training/ appropriately skilled staff. Event: The failure to comply with legislative requirements. Effect: (i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator	 Likelihood Impact	4	The Regulations of the Police Pension Scheme set out how police pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members. In addition, other bodies such as the Pensions Regulator, HM Revenue & Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them. Failure to comply with the governing legislation may lead to inaccurate benefits being paid or deadlines being missed which in turn may lead to damage to the City's reputation and/or fines being levied by bodies such as the Pensions Regulator.	 Likelihood Impact	4	31 March 2023	
								Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date

Appendix 1

CHB COLP PSB 02a	Ensuring that suitable staff are recruited at the correct salary levels and that appropriate training is provided will help to prevent non-compliance with legislative requirements.	Ensuring that suitable staff are recruited at the correct salary levels and that appropriate training is provided will help to prevent non-compliance with legislative requirements.	Graham Newman	24 May 2022	31 March 2023
CHB COLP PSB 02b	The governing legislation may change or evolve over time and it is therefore important that staff maintain accurate and up-to-date knowledge of the Regulations.	Regular attendance at seminars, forums, webinars and user groups will ensure that knowledge of the relevant legislation is kept up-to-date and accurate.	Graham Newman	24 May 2022	31 March 2023

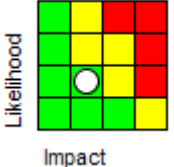
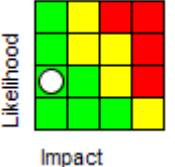
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 03 Pension Scheme Administration (Personnel)	<p>Cause: (i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.</p> <p>Event: The failure of administrators to accurately calculate and pay the correct levels of benefits.</p> <p>Effect:(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/sanctions</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>The Regulations of the Police Pension Scheme set out how police pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members.</p> <p>In addition, other bodies such as the Pensions Regulator, HM Revenue & Customs, the Office of National Statistics and the Financial Conduct Authority impose rules that work alongside the Scheme Regulations or may even supersede them.</p> <p>The pensions administration software is designed to do the majority of the calculations that are performed, but in some cases manual calculations are required – this may be because the software has not caught up with regulatory changes or simply that the software cannot do what is asked of it. Manual calculations require greater knowledge and ability on behalf of the staff required to perform them; are often significantly more time consuming; and introduce a greater risk of human error.</p> <p>If the members of the Pensions Office that are responsible for administration of the Police Pension Scheme lack the necessary knowledge and skills</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>31 March 2023</p>	

Appendix 1

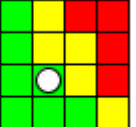
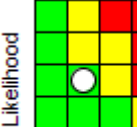

		Staff returned to the office for a minimum two days a week from 31 January 2022. This was extended to three days a week from 28 February 2022.			
CHB COLP PSB 03e	Sufficient preparation time is built into the production of any annual statement with a statutory deadline.	Ensuring that sufficient preparation and production time is allocated when planning for the issue of any statements etc with a statutory deadline. In particular, awareness of this issue is necessary if the production requires significant manual intervention.	Graham Newman	24 May 2022	31 March 2023

Appendix 1

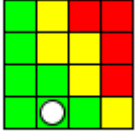
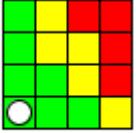
				24 May 2022	
CHB COLP PSB 04b	The software provider is contracted to provide regular updates to the system as developments and enhancements are made. In addition, as regulations are amended, or legislation and factors are updated there is a requirement to ensure the software is also updated.	Monitoring the system updates made by the system provider to ensure they are made accurately and on time.	Graham Newman	24 May 2022	31 March 2023
CHB COLP PSB 04c	Ensuring that the pensions administration software is included in the departmental business continuity plans.	Updating the business impact analysis details used in the departmental continuity plan as required.	Graham Newman	24 May 2022	31 March 2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 05 Pension Fraud 30-Aug-2019	Cause (i) Continued payment of pensions following death. (ii) Staff acting inappropriately Event: Fraudulent claim of pension benefits. Effects: (i) Overpaid pensions.(ii) Financial loss		4	If the death of a police pension scheme beneficiary is not reported, their pension may continue to be paid when there is no longer an entitlement. This may be a deliberate failure to report the death or may be where there is no fraudulent intention, but in either case it will lead to benefit overpayment and a potential financial loss. 24 May 2022		2	31 Oct 2022	Constant

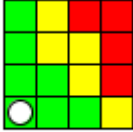
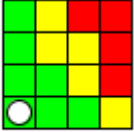
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP- PSB 05a	Robust fraud protection/detection processes.	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners. The Pensions Manager met with Internal Audit to discuss new procedures and options created by the National Fraud Initiative. A trial of the mortality screening service provided by the NFI has been undertaken and will be compared with the systems already used.	Graham Newman	24 May 2022	31 Oct 2022

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB COLP PSB 07 Cyber Security -Aug-2019 Graham Newman	Cause: (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) IT system failure (iv) Data Accuracy. (v) Lack of resources. Event: Breach of Corporate IT systems and cyber security Effect: (i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/sanctions. (iv) Breach of Data Protection regulations. (v) Loss/corruption of data	 Likelihood	4	A malicious breach of Corporate IT systems may lead to a failure of the pensions administration system and/or a breach of Data Protection regulations. A failure of the pensions administration system or a breach of the DP regulations may mean a failure or inability to calculate benefits accurately and on time which may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office. 24 Feb 2022	 Likelihood	4	31 March 2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 07a	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines given.	Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.	Graham Newman	24 May 2022	31 March 2023
CHB COLP PSB 07b	Corporate and departmental specific software to be updated as required to ensure the latest and most secure version is being used.	To ensure the most up-to-date software is being used, staff should update their computers as and when prompted.	Graham Newman	24 May 2022	31 March 2023
CHB COLP PSB 07c	Ensuring that the pensions administration software is included in the departmental business continuity plans.	Updating the business impact analysis details used in the departmental continuity plan as required.	Graham Newman	24 May 2022	31 March 2023
CHB COLP PSB 07d	Pensions administration staff to be aware of Data Protection legislation.	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working, ensuring the protection of scheme member data.	Graham Newman	24 May 2022	31 March 2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CHB COLP PSB 01 Actuarial Data</p> <p>30-Aug-2019</p>	<p>Cause: (i) Inaccurate data supplied to the Home Office either by City of London or any other Police Authority. (ii) Poor assumptions used by the Home Office.</p> <p>Event: The actuarial data provided to the Home Office is inaccurate.</p> <p>Effect: National employer rate incorrectly determined.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>2</p>	<p>The rate of employers' pension contributions for the Police Pension Scheme is set nationally and is based upon the actuarial data provided by all police forces in the country.</p> <p>Data is supplied to the Home Office at the end of each financial year together with a forecast for the following 5 years. The forecasts are subsequently updated twice more during the financial year.</p> <p>If inaccurate data is supplied, either by the City of London Police or other Forces, the assumptions used to determine the employer contribution rate may be flawed which in turn may lead to an incorrect rate being used.</p> <p>At the Police Pension Board meeting of 9 October 2020 Members determined that the Impact of this risk should be increased from 1 to 2, but the Likelihood should remain at 1 thus increasing the overall risk score to 2 and remaining green.</p> <p>24 May 2022</p>	 <p>Likelihood</p> <p>Impact</p>	<p>1</p>	<p>31 March 2023</p>	<p>■</p> <p>Accept</p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 01a	The year-end procedures of the Pensions Office remain thorough, accurate and timely.	The actuarial data supplied to the Home Office is based upon information extracted from the payroll system, the pension system and the general ledger. The extracts are reconciled and checked for errors or inconsistencies before submission to the Home Office. The City of London has no jurisdiction or control over data submitted by other Police Authorities.	Graham Newman	24 May 2022	31 March 2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CHB COLP PSB 06 Protected Pension Age (PPA)</p> <p>30-Aug-2019 Graham Newman</p>	<p>Cause: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. Event: Protected Pension Age (PPA) Effect:HMRC make 'unauthorised payment' charges to both the member and the organisation.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>1</p>	<p>The minimum retirement age as set by HMRC is 55, however the Police Pension Scheme Regulations 1987 allow officers to retire before this age. They are therefore awarded a Protected Pension Age (PPA).</p> <p>An officer that retires between the ages of 50 and 55 and is then re-employed by the same sponsoring employer (the City of London Police and the City of London Corporation) will lose their PPA if they do not leave a sufficient break between retirement and re-employment.</p> <p>The required break is 6 months, but this can be reduced to 1 month if the employment is not materially similar.</p> <p>If the PPA is lost, all pension payments made from that point until the member reaches age 55 will be deemed unauthorised by HMRC and a charge will be levied against the City of London Police (as the pension provider) and against the member.</p> <p>24 May 2022</p>	<p>Likelihood</p>  <p>Impact</p>	<p>1</p>	<p>31 March 2023</p>	<p>■</p> <p>Constant</p>

Appendix 1

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 06a	Ensuring that staff within City of London Police HR are aware of the rules regarding re-employment and PPA.	<p>City of London Police HR will ensure that the necessary training in respect of re-employment and PPA is provided to members of the team and that procedures are in place so that this knowledge is maintained and passed on.</p> <p>A training session has been agreed with the Pensions Office to provide refresher training to all Human Resource officers on the rules regarding re-employment and PPA.</p>	Azeem Bhatti <u>Mark Paddon</u>	24 May-2022 <u>26-Sept-2022</u>	31 March 2023
CHB COLP PSB 06b	Monitoring job-applicants to ensure retired officers who are being re-employed are leaving the required break.	<p>City of London Police HR will monitor any new applicant to ensure that any retired officer that is between the ages of 50 and 55 and is looking to be re-employed has taken the required break between retirement and re-employment. If necessary, they will determine whether the new employment is materially similar when assessing the length of the break that is needed.</p> <p>Human Resource officers ask for a validation report that shows the last date of service. This then ensures the dates are checked so the required break is built into the recruitment start date. The return to work letter has been reviewed and approved by the Pensions Office.</p>	Azeem Bhatti <u>Mark Paddon</u>	24 May-2022 <u>26-Sept-2022</u>	31 March 2023
CHB COLP PSB 06c	Ensuring that officers that are coming up to retirement are aware of the rules regarding re-employment and PPA.	<p>The City of London Police HR will ensure that all retiring officers are informed of the rules regarding re-employment and PPA.</p> <p>A line has been added into the retirement letter issued by Human Resources to remind officers of the required break should they be thinking of re-joining as a member of staff.</p> <p>When required to provide input at pre-retirement courses, the Pensions Office will include details in respect of re-employment and PPA as part of their presentation.</p>	Azeem Bhatti <u>Mark Paddon</u> Graham Newman	24 May-2022 <u>26-Sept-2022</u>	31 March 2023

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