



City of London Police Pensions Board

Date: TUESDAY, 5 NOVEMBER 2024
Time: 11.00 am
Venue: 2ND FLOOR WEST WING, GUILDHALL

Members: Ray Eaglesmith, (Chair) John Todd
Deputy Henry Colthurst, (Deputy Deputy Madush Gupta,
Chair) Alan Yau,
Helen Isaac,

Enquiries: Kezia Barrass
Kezia.Barrass@cityoflondon.gov.uk

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<https://www.youtube.com/@CityofLondonCorporation/streams>

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.

Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

Ian Thomas CBE
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 public minutes and non-public summary of the meeting held on 17 July 2024.

For Decision
(Pages 5 - 8)

4. **COL POLICE PENSION SCHEME - UPDATE**

Report of the Chamberlain.

For Discussion
(Pages 9 - 54)

5. **COL POLICE PENSION SCHEME - RISK REGISTER**

Report of the Chamberlain.

For Decision
(Pages 55 - 78)

6. **COLP SCHEME MANAGER UPDATE**

Report of the Commissioner.

For Information
(Pages 79 - 80)

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

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

9. **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

10. **NON-PUBLIC MINUTES**

To approve the non-public minutes of the meeting held on 17 July 2024.

For Decision
(Pages 81 - 82)

11. **COL POLICE PENSION SCHEME - UPDATE NON-PUBLIC APPENDICES**

To be read in conjunction with item 4.

For Decision
(Pages 83 - 86)

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

Wednesday, 17 July 2024

Minutes of the meeting of the City of London Police Pensions Board held at the Guildhall EC2 at 11.00 am

Present

Members:

Member Representative

Ray Eaglesmith (Chair)
John Todd
Alan Yau

Employer Representative

Helen Isaac
Deputy Henry Colthurst (Deputy Chair)
Madush Gupta

Officers:

Kate Limna
Graham Newman
James Garmant
Kezia Barrass
Alix Newbold

- Chamberlain's Department
- Chamberlain's Department
- Chamberlain's Department
- Town Clerk's Department
- City of London Police

1. **APOLOGIES**

There were no apologies.

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

There were no declarations.

3. **MINUTES**

RESOLVED, - that the public minutes and non-public summary of the meeting held on 17 April 2024 were approved as an accurate record, subject to the addition of apologies from Helen Isaacs.

4. **TERMS OF REFERENCE**

Members received a report of the Town Clerk which proposed an added reference to training requirements of Members of the City of London Police Pensions Board.

Members suggested that the composition could be amended to require no more than 8 Members, rather than no more than 12 Members, officers agreed to reduce the required number of Members.

A Member suggested a reduction to the frequency of the Board meetings annually from 3 to 2, Officers and the Chair agreed that the frequency would remain at 3 meetings per annum to ensure adequate scrutiny and coverage of any matters arising.

Members questioned the alternation of Chair and Deputy Chair annually and it was explained that this was a requirement of the Pensions Regulations in cases where there would be no independent Chair.

RESOLVED, - that Members agreed to reduce the required Membership, and to include the proposed training expectation for Members.

5. **CITY OF LONDON POLICE PENSION SCHEME UPDATE**

Members received a report of the Chamberlain which provided an update on the City of London Police Pension Scheme.

The Chair was assured by Officers that the team were on track to meet the Remedial Service Statements (RSS) target of August 2024 for serving officers – but it was noted that the legal requirement was to ensure the statements would be issued by 31 March 2025. Officers also notified the Board that the production of Remedial Service Statements for retired officers had been paused at request of the Home Office due to an issue which related to tax treatment of arrears lump sum payments, but the process was now back underway.

Officers outlined that a letter in respect of the McCloud Remedy would be sent to retired members of the pension scheme by the Commissioner in the coming months.

RESOLVED, - that the report be noted.

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

Members received a report of the Commissioner which outlined the City of London Police Pension Scheme risk register.

Officers outlined that there had been no change in the risk register since the previous meeting in April 2024. Members queried the risk which related to McCloud, and if this was expected to be reduced in severity. Officers suggested that this risk would be reviewed in 6 – 9 months' time, with a view to reducing the risk rating. The Chair agreed to set a target of the 31 March 2025 to reduce this risk, with the understanding that a new government in place could impact the target. Members and Officers agreed to include the specific risk on the agenda of the City of London Police Pensions Board in November 2024.

RESOLVED, - that Members agreed that the current risk register ratings were appropriate.

7. **THE CITY OF LONDON POLICE PENSION BOARD - REVIEW OF ACTIVITIES FOR THE PERIOD 1 APRIL 2023 TO 31 MARCH 2024**

Members received a report of the Chamberlain which outlined the work of the City of London Police Pensions Board for the period 1 April 2023 to 31 March 2024, and would be submitted to the Police Authority Board for information.

RESOLVED, - that the report be noted.

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

There were no questions.

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

There was no other business

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**

RESOLVED, - that the non-public minutes of the meeting held on 17 April 2024 were approved as an accurate record.

12. **CITY OF LONDON POLICE PENSION SCHEME UPDATE NON PUBLIC APPENDICES**

Members received a report of the Chamberlain which provided non-public appendices to the City of London Police Pensions Scheme update at item 4.

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

A Member requested an update on the Service Level Agreement (SLA) between the City of London Pensions administrator and the City of London.

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

There was no other business.

The meeting closed at 11:42

Chairman

Contact Officer: Kezia Barrass
Kezia.Barrass@cityoflondon.gov.uk

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Agenda Item 4

Committee: Police Pensions Board	Date: 5 November 2024
Subject: CoL: 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 Discussion
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).
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 (IDRP) since the last Board meeting.
A record of any formal complaints received by the Pensions Office.	There have been no formal complaints received.
Any recent Police Pension Scheme breaches of the law	There have been 3 breaches of the law.
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	The project is still ongoing. A report will be brought to the Board once the reconciliation has been completed.
Procurement of Pension Administration System	<p>The Pensions Office is currently in the process of implementing the Member Self-Service system. 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 will also provide a platform for providing annual benefit statements and other bulk mailings.</p> <p>The roll-out of the system to active scheme members took place in August 2024, with the roll-out for pensioner members due to take place shortly. It is hoped that the roll-out to pensioner members will be completed by Christmas so that it can be rolled out to deferred members in the new year.</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 was implemented with effect from 1 October 2023. This second phase provides the deferred choice underpin which gives eligible members the choice between legacy scheme or new scheme membership for the period 1 April 2015 to 31 March 2022.</p> <p>The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since this date (i.e. 1 October 2023) have been processed on this basis.</p> <p>For eligible members, the 2024 Annual Benefit Statement included a ‘Remediable Service Statement’ that provided comparative figures showing the benefits if the member accepted the Remedy together with those if they choose to reject it.</p> <p>In addition, a Remediable Pension Savings Statement was sent to all members whose pension growth exceeded the Annual Allowance</p>

	<p>during the Remedy Period as a result of the Remedy implementation.</p> <p>The Pensions Office, together with the City of London Police, is in the process of assessing and contacting all eligible retired and deferred officers to offer them their choices in respect of the Remedy.</p> <p>Updates regarding the implementation of the McCloud Remedy will continue to be brought to each Board meeting.</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 received, a communication that can be sent to officers that make enquiries will be prepared.</p>
Pensions Dashboards	<p>Introduced by the Department for Work and Pensions (DWP), Pensions Dashboards have been designed to provide an online platform that will allow individuals to access details of their accrued pension benefits from multiple sources in one place. The intention is to support better planning for retirement, and help individuals reconnect with any pension pots they may have lost over time.</p> <p>In respect of Public Sector Pension Schemes, the initial expectation was that schemes would be required to connect to the online dashboard infrastructure by 30 September 2024.</p> <p>However, a written Ministerial Statement made on 2 March 2023 stated that delays setting up the dashboard programme has meant that the original timetables have been re-considered.</p> <p>A revised staging timetable has been set out in guidance with all schemes in scope given a single connection deadline of 31 October 2026, by which time they are legally required to be connected to the pensions dashboard ecosystem and be ready to respond to requests for pensions information.</p> <p>However, the guidance also sets out a staging timetable which provides a recommended connection date based upon scheme size and type – the connection date for public sector pension schemes is 31 October 2025.</p> <p>The Pensions Regulator (TPR) updated its 'Failing to comply with dashboards duties' guidance in June 2023: (https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance/failing-to-comply-with-pensions-dashboards-duties). The purpose of the guidance is to outline what schemes will need to do to demonstrate that they have had regard to the staging timetable that will be set out in the connection guidance.</p>

	<p>TPR expectations of schemes to show they ‘have regards to the connection guidance’ includes:</p> <ul style="list-style-type: none"> • Connect to dashboards by the connection deadline of 31 October 2026 that is set out in legislation. Failure to do so could result in regulatory action by TPR. • A revised staging timetable is set out in guidance which indicates when schemes are scheduled to connect. All trustees and scheme managers must have regard to this guidance. Failure to do so will be a breach. • Although the timelines in the guidance are not mandatory, schemes will be expected to demonstrate how they have had regard to the guidance. • A phased approach to staging enables a controlled and well-planned connection, reduces the risk of provider capacity constraints and means savers can realise the benefits of dashboards as early as possible. • Continuing to prepare for dashboards by engaging with those who will support them and their dashboard duties. <p>The Pensions Dashboards Programme (PDP) has updated their FAQs to reflect the new connection deadline announcement https://www.pensionsdashboardsprogramme.org.uk/faqs/</p> <p>The Pensions Office has started the process of contacting potential ‘Integrated Service Providers’ to request their proposals for the services they can provide in respect of the Dashboard project.</p> <p>It should be noted that this project will be carried out in conjunction with the administration of the Local Government Pension Scheme and is not ‘stand-alone’ for the Police Pension Scheme.</p>
Task Statistics	Update provided on the Non-Public agenda (Appendix 2).
Pension Board Training	<p>Board Members are asked to consider any topics of training they would like to cover in the coming year ahead.</p> <p>Details in respect of tPR training modules completed by each Member are included on the Non-Public agenda. (Appendix 3).</p>
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 4.1 – 4.4)

Recommendation

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

Appendices:

Appendix 1 – Annual Schedule of events

Appendix 2 – Key Performance Indicators (NON-PUBLIC)

Appendix 3 – Member Training (NON-PUBLIC)
Appendix 4 – Scheme Documentation

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
25 January 2024	Deadline for Scheme Return to the Pensions Regulator	25 January 2024
January 2024	HMRC Event Report / Tax Return for December Quarter	31 January 2024
March / April 2024	Submit IAS19 data to Scheme Actuary	1 May 2024
1 April 2024	Employee Contribution band implementation	1 April 2024
1 April 2024	Employer Contribution implementation	1 April 2024
1 April 2024	Revaluation of CARE benefits	1 April 2024
First Monday in April after 6 April 2024	Pensions Increase – Annual Inflation Increase	8 April 2024
April 2024	HMRC Event Report / Tax return for March Quarter	No data to submit
24 May 2024	Home Office Year End Finance Return (submitted by City of London Police)	23 May 2024
July 2024	HMRC Event Report / Tax Return for June Quarter	No data to submit
31 August 2024	Issue of Annual Statements Deadline	Issued in 3 batches: 4 September 2024 11 September 2024 13 September 2024
October 2024	HMRC Event Report / Tax Return for September Quarter	No data to submit
6 October 2024	Deadline for the issue of Pension Saving Statements (Annual Allowance letter)	6 October 2024
January 2025 (TBC)	Deadline for Scheme Return to the Pensions Regulator	
January 2025	HMRC Event Report / Tax Return for December Quarter	
February 2025 (TBC)	Deadline for Pensions Regulator Scheme Survey	
March / April 2025	Submit IAS19 data to Scheme Actuary	

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List of documents in Appendix 4

Appendix 4.1 template	Annual Benefit Statement – Remediable Service Statement (ABS-RSS)
Appendix 4.2	Remediable Pension Savings Statement (R-PSS) template
Appendix 4.3	Immediate Choice Remediable Service Statement (IC-RSS) template
Appendix 4.4	Retirement illustration letter

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This statement includes personal information, remember to keep it in a safe place.

Hi

WELCOME TO YOUR NEW-LOOK ANNUAL BENEFIT STATEMENT.

This document will provide you with details of the pension that you are building up in the police pension scheme 2015 as well as benefits you previously built up in Police Pension Scheme.

The figures are based on the information your employer has provided. It is important you check this information is accurate and let your employer know if you believe anything is incorrect. See section 'Information we have used' for further information.

About you

National Insurance number:

.....

Date of birth:

.....

Member reference number:

.....

Payroll number:

.....

Date joined police pension scheme:

.....

Partnership status:

.....

Your benefit options



Legacy

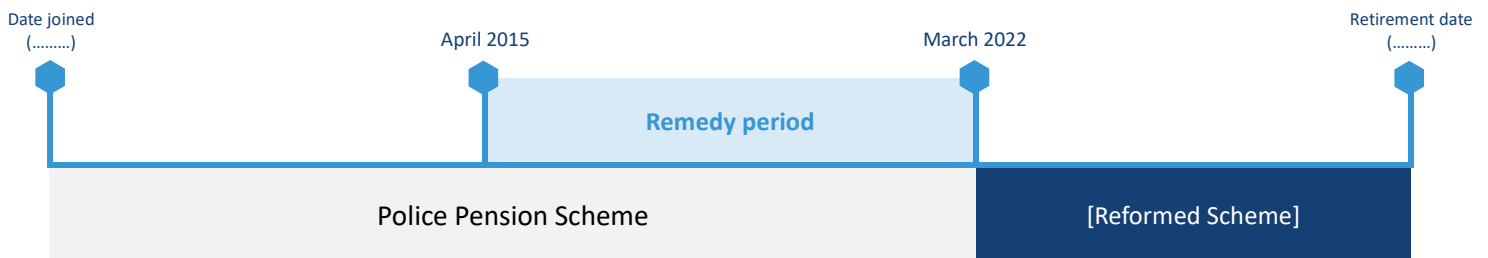


Reformed

AS YOU WERE A MEMBER AFFECTED BY REMEDY, YOU WILL HAVE A CHOICE ABOUT WHICH BENEFIT TO TAKE WHEN YOU RETIRE.

In this statement we have shown your current benefits and the benefits you could choose when you retire. **You do not need to make a decision now**, but you may want to think about how each option might impact your benefits and contributions to the scheme.

Your current benefits



Your alternative benefits



Find out more about your contributions in section 'Contributions'.

At a glance

HERE'S A SUMMARY OF YOUR CURRENT ACCRUED BENEFITS AT 31/03/2024. THESE FIGURES ASSUME THAT YOU REMAIN IN PENSIONABLE SERVICE AND DO NOT TAKE THEM UNTIL AGE 60.

	Benefits	
Annual pension before commutation	£.....	See section 'Your benefits'
Automatic lump sum	£.....	See section 'Your benefits'
Annual pension payable to your spouse / partner in the event of your death	£.....	See section 'Your death benefits'

As a result of rollback to your legacy scheme, you have a contribution adjustment of:

	Contribution adjustment	
Contribution adjustment	£.....	See section 'Contributions'

There are a number of factors which affect the benefit or contribution figures shown above. Decisions you make when you reach your normal pension age (age 60), or if you take some or all of your pension before this time, and when you choose to make your contribution adjustment will all have an impact, so these figures are likely to be different. See supporting pages for more details, plus details of tax and adjustments that may be made to your pension in section 'Tax and adjustments'.

Your benefits at 31 March 2024

This is the value of your current accrued benefits at 31/03/2024.

These figures assume that:

- you remain in pensionable service and do not take them until your normal pension age (age 60); and
- you do not exchange any pension for a lump sum (also known as commuting your benefits):

Benefits

Your current benefits		Your alternative benefits	
PPS 2015 pension	£.....	PPS 2015 pension	£.....
Police Pension Scheme pension	£.....	Police Pension Scheme pension	£.....
Total Pension	£.....	Total Pension	£.....

Find out how your benefits in the PPS 2015 build up at <https://policepensioninfo.co.uk/wp-content/uploads/2024/07/ABS-RSS-information-How-your-benefits-in-the-PPS-2015-build-up-3.pdf>

You can find examples of how your legacy pension has been calculated on the website:

<https://policepensioninfo.co.uk/wp-content/uploads/2024/07/ABS-RSS-information-How-your-benefits-are-calculated-in-the-legacy-schemes-1.pdf>

Your death benefits at 31 March 2024

If you die as an active member of the PPS 2015, the scheme also provides benefits for your spouse/partner. Death benefits are based on the scheme where you are an active member (PPS 2015).

Lump sum

You can nominate who you would like to receive a death in service lump sum of three times your actual final pensionable pay. The scheme manager will however consider all relevant beneficiaries when making the payment.

Lump sum:	£.....
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You can nominate who you would like to receive your death in service lump sum.

To make or change a nomination, please make the necessary amendments via the Online Member Portal, or visit <https://police.cityoflondonpensions.org/resources/> to download the nomination form.

Pension

An annual pension may also be paid to your partner.

DIS Pension a year:	£.....
---------------------	--------

Your partner's pension will be calculated based on your partnership status at the date of your death. The amount payable is equal to half the annual pension. This will be reduced if your partner is more than 12 years younger than you.

Unmarried partners are excluded from receiving 1987 beneficiary pension benefits built up under your 1987 scheme membership during or before the remedy period.

Your projected benefit summary at normal pension age (age 60)

Your benefits will continue to build up if you continue in pensionable service. Below we have shown what they could be at age 60.

Pension

In the PPS 1987 you will have the choice to exchange or ‘commute’ up to 25% of your pension for a lump sum. If you choose to do this, the annual pension you receive would be less.

You will have the choice to exchange or ‘commute’ up to 25% of the *total value of* your PPS 2015 pension for a lump sum. If you choose to do this, the annual pension you receive would be less. We have shown a comparison of these options on the following pages.

A. If you do not commute any pension

Your current benefits		Your alternative benefits	
PPS 2015 pension	£.....	PPS 2015 pension	£.....
Police Pension Scheme pension	£.....	Police Pension Scheme pension	£.....
Total Pension	£.....	Total Pension	£.....

B. If you choose to commute pension (assuming you take the maximum lump sum available from the scheme)

Your current benefits		Your alternative benefits	
PPS 2015 pension	£.....	PPS 2015 pension	£.....
Police Pension Scheme pension	£.....	Police Pension Scheme pension	£.....
Total Pension	£.....	Total Pension	£.....
PPS 2015 lump sum	£.....	PPS 2015 lump sum	£.....
Police Pension Scheme lump sum	£.....	Police Pension Scheme lump sum	£.....
Total lump sum	£.....	Total lump sum	£.....

If you take your benefits earlier than age 60, the PPS 2015 pension will be reduced by an early retirement reduction factor. Find out more at policepensioninfo.co.uk

There may be adjustments made to your pension on retirement for a number of reasons, please see section 'Tax and adjustments'.

Death Benefits

The scheme also provides benefits for your spouse/partner in the event of your death. The following figures are calculated based on your partnership status held on your pension record.

If no partnership status is held this will show as £0.

Your current benefits		Your alternative benefits	
Annual partners pension	£..... a year	Annual partners pension	£..... a year

Information we have used

We have used information provided by your employer, as at 31/03/2024, to calculate the figures in this statement. If you think this information may be incorrect, please contact your employer.

2015 scheme data

Your current benefits		Your alternative benefits	
PPS 2015 CARE pay	£.....	PPS 2015 CARE pay	£.....
PPS 2015 pension built up		PPS 2015 pension built up	
PPS 2015 pension as at 31 March 2023	£.....	PPS 2015 pension as at 31 March 2023	£.....
Annual increase in benefits	£.....	Annual increase in benefits	£.....
PPS 2015 pension earned	£.....	PPS 2015 pension earned	£.....
Added pension bought in the year	£.....	Added pension bought in the year	£.....
Transfers-in to PPS 2015 in the year	£.....	Transfers-in to PPS 2015 in the year	£.....
Pension sharing order adjustment	£.....	Pension sharing order adjustment	£.....
Total PPS 2015 pension	£.....	Total PPS 2015 pension	£.....

Police Pension Scheme data

Your current benefits		Your alternative benefits	
Average pensionable pay (best of your final three years' pensionable pay)	£.....	Average pensionable pay (best of your final three years' pensionable pay)	£.....
Total service as at 31 March 2022	... years ... days	Total service as at 31 March 2015	... years ... days
When calculating your pension, your legacy scheme service is counted as:	... years ... days*	When calculating your pension, your legacy scheme service is counted as:	... years ... days
Total service is made up from...		Total service is made up from...	
Legacy scheme service	... years ... days	Legacy scheme service	... years ... days
Transferred in service	... years ... days	Transferred in service	... years ... days
Added years bought	... years ... days	Added years bought	... years ... days

*Find out more about the weighted accrual at <https://pensioninfo.co.uk/wp-content/uploads/2024/07/ABS-RSS-information-How-your-benefits-are-calculated-in-the-legacy-schemes-1.pdf>

Contributions

As part of remedy, you have been put back into the PPS 1987 for your pensionable membership during the remedy period. You were previously building up pension in the PPS 2015 for some or all of this period.

The contributions in the PPS 1987 are higher than the PPS 2015. This means that you owe money to reflect the difference. This is known as a 'contribution adjustment'.

Your contribution adjustment	£.....
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You can pay your contribution adjustment:

- Within 12 weeks of receiving your ABS RSS (this document)

OR

- At retirement it can be taken from any pension benefits.

The above figure is an estimate. Your contribution adjustment will be calculated again based on the date the payment is actually made.

Your contribution adjustment is made up from...			
A	Contributions already paid	£.....	Gross contributions already paid in the remedy period
B	Contributions due as a member of PPS 1987	£.....	Gross contributions that should have been paid as a member of PPS 1987 for the remedy period.
C (B-A)	Difference in contributions	£.....	This is the difference between what you have already paid for the remedy period and what you would have paid as a member of PPS 1987.

Your contributions need to be adjusted to account for interest. At the date of this statement, these would be as follows:

D	Interest	£.....	Interest on the contributions that are due at the date of this statement.
E (C+D)	Your contribution adjustment	£.....	

At retirement

If you make the contribution adjustment as an active member before you retire and then you choose PPS 2015 benefits at your retirement, you will be owed contributions at your retirement.

If you do not make the contribution adjustment before you retire, and you choose:

- to keep PPS 1987 benefits at your retirement you will **owe** contributions; or
- PPS 2015 benefits at your retirement, you will **not owe** anything further.

Tax relief and interest

Interest will accrue on contributions owed up to the date of payment.

You will receive tax relief on your contributions. Your status at the time of making the contribution adjustment may affect the method of tax relief.

More information about tax and interest can be found in the [member factsheet for contribution adjustments](https://policepensioninfo.co.uk/wp-content/uploads/2024/01/NPCC-Member-Remedy-Factsheet-Contributions-adjustments.pdf) at: <https://policepensioninfo.co.uk/wp-content/uploads/2024/01/NPCC-Member-Remedy-Factsheet-Contributions-adjustments.pdf>

Tax and adjustments to your pension

Tax on your pension and lump sum

A portion of your lump sum from the PPS 1987 could be taxed, depending on the amount you select to commute.

The lump sum from your PPS 2015 benefits would be paid tax free.

When you receive your pension, it will be taxed in the same way as your salary.

Annual allowance

The government sets some limits about how much pension you can build up without incurring a tax charge. You can find out the amount of pension you have built up during the year on your online account, or from your administrator.

You will be sent a Pension Savings Statement by 6 October 2024 if you are affected by the annual allowance:

- During the remedy period;
- For the 2022/23 tax year; or
- For the 2023/24 tax year.

Lump sum allowance

From 6 April 2024, the lump sum allowance replaced the lifetime allowance.

The lump sum allowance fixes the maximum tax-free lump sum that can be paid on retirement at £268,275 unless a relevant protection certificate is held for a higher amount.

Any lump sum payment exceeding the lump sum allowance will incur a tax charge.

The lump sum figures quoted in this statement are before any tax charges applicable have been applied.

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policepensioninfo.co.uk

On this site you'll find frequently asked questions, useful animations and a handy calculator.

Administrator contact details

City of London
Pensions Office
PO Box 270
Guildhall
London
EC2P 2EJ
www.police.cityoflondonpensions.org
020 7332 1133

The legal bit

The details in this statement have been prepared with the aim of being accurate, however they cannot cover every circumstance and do not give you any rights under contract or by the law. If there is a dispute relating to this statement, the appropriate law will apply.

Financial advice

We cannot provide you with financial advice about the information contained in your annual benefit statement. If you need help to find a financial advisor, you can use the following link :
www.moneyadvice.service.gov.uk/en/articles/choosing-a-financial-adviser

Contingent decisions

If you think you have taken a decision that would have been different had it not been for the discrimination identified by the courts, you may be able to apply for a contingent decision claim. You can find out more in the factsheet online at: <https://policepensioninfo.co.uk/wp-content/uploads/2024/02/NPCC-Member-Remedy-Factsheet-Contingent-Decisions-v2.0.pdf>

Dispute resolution

If you have a complaint about your pension, in the first instance, you should speak with your scheme manager (usually a person within your police authority). Your scheme manager will follow an independent dispute resolution process (IDRP) to try and resolve your complaint.

If your scheme manager cannot resolve your query, you can raise a formal complaint with the Pensions Ombudsman.

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Dear

**The Police Pension Scheme (PPS)
City of London Police Pension Savings Remediable Service Statement**

Name:	
National Insurance Number:	

City of London Police Pension Scheme 'Pension Scheme Tax Reference' (PSTR) number:	00617916RK
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You will be aware that I am required by HM Revenue & Customs (HMRC) to issue you with a Pension Savings Statement if the growth of your PPS benefits in the City of London Police Pension Scheme exceeds the Annual Allowance (AA) limit within a tax year. This growth is known as the Pensions Input Amount (PIA).

Implementation of the McCloud Remedy has meant that your PIAs for the tax years 2015 /16 to 2022 / 23 have been adjusted. As a result, I am required to provide a Remediable Pension Savings Statement (R-PSS) if any of your revised PIAs during the Remedy period exceed the AA of that year.

The attached R-PSS provides the details of your revised PIAs and instructions provided by the NPCC with regards to the action you are required to take.

If you have any questions, please contact the Pensions Team at:
policepensions@cityoflondon.gov.uk

Yours sincerely

Remediable Pensions Savings Statement

Deferred Choice Member



We are providing you this Remediable Pension Savings Statement (R-PSS) because you have been rolled back to the legacy scheme for the remedy period, and this rollback means that you have exceeded the Annual Allowance in one or more of the years in the remedy period.

The changes to your pension have resulted in a liability for you to pay (more or less) pension tax under the Annual Allowance (AA).

This R-PSS is for the remedy years 2015/16 to 2021/22 and also covers 2022/23. You will receive a separate Pension Savings Statement for 2023/24 if this applies to you.



What to do with this statement?

You should not amend any previous years Self-Assessment returns, instead you will need to use the information in this statement to use the HMRC digital service to calculate your public service pension adjustment.

HMRC have provided a list of what information you will need and the likely questions that you will need to answer on their HMRC digital service page - <https://www.gov.uk/guidance/calculate-your-public-service-pension-adjustment>

You may need to provide this information to an Independent Financial Adviser or other professional if you require financial advice or support to use the HMRC digital service. If you do not have an adviser and would like one, NPCC have provided a list of suggested providers on their website - <https://policepensioninfo.co.uk/useful-information/>.



What happens next?

Using the information you have submitted via the HMRC digital service to correct your pensions tax position, HMRC will send your scheme manager details of your election for scheme pays or compensation if this is due.

If you have sought professional advice or support to use the HMRC digital service then you will need to submit a compensation claim to your scheme manager, more details about the compensation scheme are available on the NPCC website - <https://policepensioninfo.co.uk/wp-content/uploads/2024/05/NPCC-Member-Remedy-factsheet-Compensation.pdf>

Remediable Pension Savings Statement – rolled back position

Pension Input Period (PIP)	Standard Annual Allowance (AA)	Total Pension Input Amount (PIA)
6 April 2010 to 5 April 2011	£255,000	£
6 April 2011 to 5 April 2012	£50,000	£
6 April 2012 to 5 April 2013	£50,000	£
6 April 2013 to 5 April 2014	£50,000	£
6 April 2014 to 5 April 2015	£40,000	£
6 April 2015 to 8 July 2015	£80,000	£
9 July 2015 to 5 April 2016	£40,000	£
6 April 2016 to 5 April 2017	£40,000	£
6 April 2017 to 5 April 2018	£40,000	£
6 April 2018 to 5 April 2019	£40,000	£
6 April 2019 to 5 April 2020	£40,000	£
6 April 2020 to 5 April 2021	£40,000	£
6 April 2021 to 5 April 2022	£40,000	£
6 April 2022 to 5 April 2023	£40,000	£

For more information about some frequently asked questions on pensions tax, you can refer to <https://policepensioninfo.co.uk/faqs-remedy/#tax>

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Police Pension Scheme – Remediable Service Statement

You're currently receiving a pension from service with the police.

As a result of a legal review of the police pension scheme, new options are now available which mean that you can choose the benefits that you receive from either:

- A 'legacy' scheme ([legacy scheme name]); or
- The 'reformed' scheme (PPS 2015).

This choice will be in relation only to the benefits built up between 1 April 2015 and 31 March 2022 (or your retirement date if sooner). The time between 1 April 2015 and 31 March 2022 is known as the 'remedy period'.

You can choose whichever option is best for you.

Need help understanding your statement?

Find out more at policepensioninfo.co.uk where we have a useful video explaining your statement.

What action you need to take

After reading this document, you should let us know your choice.

You need to complete and return the enclosed 'remedy choice form'.

You have 12 months to make a decision, but we want to let you know that some of the figures inside are only valid for 28 days from the date of this statement. After this date you can still make a decision but we will need to recalculate any interest payments.

Your decision about which benefits are best for you will be personal to your circumstances. There are a number of factors to consider which we have highlighted in more detail within this document.

Here's a summary of your choices.

The below figures show your *total* benefits built up in the police pension schemes. The figures include the element of pension built up during the remedy period.

For the remedy period, you have a combination of benefits from both your legacy scheme and the PPS 2015. You will need to choose one of these options.

Pension

Benefits currently being paid		Your alternative benefit options	
Pension paid each year	£[total pension] a year	Pension - option one	£[total annual pension] a year
		OR	
		Pension - option two	£[total annual pension] a year

Lump sum

Benefits already paid		Your alternative benefit options	
Lump sum paid at retirement from your legacy scheme	£[total legacy lump sum]	Lump sum - option one	£[total lump sum]
PLUS		OR	
Lump sum paid at retirement from the PPS 2015	£[total 2015 lump sum]	Lump sum - option two	£[total lump sum]

When you retired you made a decision about how much pension and lump sum you received. This was known as your 'commutation' options. We have used the same options in the calculation of your alternative benefits, however you will be able to choose different commutation options.

You can find out more about how the figures for option one and option two have been calculated on page 7.

Arrears

Your choice will be backdated to the date that your pension started. An additional payment will be made to cover the value of the pension and lump sum that could have been paid in the past, plus interest on this amount. The value of this payment may change depending on a number of factors including when you make your final decision.

If you choose lower benefits, you will be required to repay any overpayment, plus interest, due up to the date from which the reduction in your benefits is made.

You have two choices:

Option one

Pension: Total overpayment/underpayment: £[]

Lump sum: Total overpayment/underpayment: £[]

OR

Option two

Pension: Total overpayment/underpayment: £[]

Lump sum: Total overpayment/underpayment: £[]

Our assumptions

We've used a number of assumptions to help you compare your current and alternative options as clearly as possible.

Assumptions

	Current:	Alternative:
Pension values	Your 'current' pension is calculated based on the benefits that you started receiving at your date of retirement and does not include any inflationary increases you may have received since.	The figures shown on your alternative pension calculations are calculated at your date of retirement, so that you can easily compare them with your current pension. You have two choices (option 1 and option 2) – more details about how these are made up is provided below.
Lump sum values	The value of the lump sum shown is the amount that you received when you retired. This takes into account any tax charges that you might have paid.	The value shown for the alternative lump sum is calculated on the date that you left the scheme.

Commutation options

We have assumed that if you selected alternative benefits, you would make the same commutation options as you did when you retired. This is so you can compare it to your current choice.

When you make your choice about alternative benefits, you would have the option to select a different commutation option. This would affect the amount of pension you would receive and may introduce a tax charge.

Membership

Your alternative benefit pension values are calculated from different types of membership depending on your selected option:

Option one

The alternative pension under option one is made up from three time periods:

- Before 1 April 2015: the pension you built up in [legacy scheme]
- 1 April 2015 – 31 March 2022 (the remedy period): the pension you could have built up in **[legacy scheme]** if you had been a member for the full remedy period, or the date you retired if this was sooner
- If you retired after 1 April 2022: the pension you built up in PPS 2015

Option two

The alternative pension under option two is made up from three time periods:

- Before 1 April 2015: the pension you built up in [legacy scheme]
- 1 April 2015 – 31 March 2022 (the remedy period): the pension you could have built up in **PPS 2015** if you had been a member for the full remedy period, or the date you retired if this was sooner
- If you retired after 1 April 2022: the pension you built up in PPS 2015

Arrears

When you make your decision, your benefits will be backdated to the date you started to receive your pension.

You will receive arrears/owe the scheme money in respect of the missed pension payments since retirement, plus a payment in respect of interest accrued.

Contributions

All the police pension schemes have a ‘contribution rate’ which is paid by the member whilst they are building up benefits.

When you make a decision about your benefits, the amount you have already paid may need to change.

	If you choose option one	If you choose option two	
Contributions	You would owe £[contributions owed by member]	You would receive a refund of £[contributions due to member]	This is the difference in the amount of contributions already paid during the remedy period and the contributions required to change to alternative benefits.
	+/-	+/-	
Tax adjustments	£[contribution tax adjustment]	£[contribution tax adjustment]	Contributions to pension schemes receive tax relief. This value is the adjustment in tax.
	+/-	+/-	
Interest as at [date of statement]*	£[interest]	£[interest]	[conditional for members who overpaid : You will also receive interest on the contributions that you are due a refund on.] [conditional for members who underpaid : You will also need to pay interest on the contributions that you owe.]
	=	=	
Balance	£[+][+][+]	£[+][+][+]	This this the total amount owed/due.

*You can find out how interest has been calculated in our FAQs online at:

<https://policepensioninfo.co.uk/faqs/>

If you choose option one and you owe contributions to the scheme you can select to either pay the balance:

- As a one off payment to the scheme.
- As a deduction from the lump sum that is due to you.

If you choose option two and are owed a contribution refund, this will be paid as a lump sum after you have made your choice.

Family benefits

As well as a pension and lump sum, the police pension scheme provides additional benefits when you die. You should also consider these benefits when making your decision.

Full details of the benefits from each scheme can be found in the scheme booklet.

	PPS 1987	PPS 2006	PPS 2015
Spouse/ civil partner pension	Half the annual pension, increased for the first 13 weeks so it is the same value as your total pension.	Half the annual pension*. As well as being paid to a spouse/civil partner, this pension can also be paid to an unmarried partner.	Half the annual pension*. Plus, if you die within two years of retirement, the balance of two years' pension payments. As well as being paid to a spouse/civil partner, this pension can also be paid to an unmarried partner.
Children's pensions	Paid to children under age 16 or under age 23 and in full time education.	Paid to children under age 16 or under age 23 and in full time education.	Paid to children under age 16 or under age 23 and in full time education.

*This would be reduced if your spouse/civil partner/declared partner is more than 12 years younger than you.

Elections

Once you have made your choice, the benefit payable to your dependent will be in line with your decision, there will be no future opportunity for it to be changed.

Unmarried partners or 'declared partners'

In the PPS 2006 and PPS 2015 only, death benefits can also be paid to an unmarried partner, also known as a 'declared partner'. This is someone who you live with that is financially dependent upon you or you have been financially interdependent. You should submit a joint declaration form for an unmarried partner to be eligible to receive death benefits. Contact us to receive a form.

Terms used on this page

Full definitions of the terms used on this page such as 'spouse', 'civil partner' and 'children' can be found in the relevant scheme booklet.

Reminder

You can let us know who should receive these benefits by completing a nomination form. Nomination forms are available from www.police.cityoflondonpensions.org

Choosing pension and lump sum

When you chose to start to take your pension you had the option to choose the balance of pension and lump sum that you received.

This is known as commutation – where you give up some of your pension for a higher lump sum or you trade some of your lump sum for a higher annual pension.

For the purposes of this statement, we have assumed that you would make the same decision. However you will have the opportunity to make this choice again when you submit your decision. This would change the value of the figures in the statement.

If you would like to receive specific quotes showing alternative commutation options, please complete and return the 'further options' form enclosed.

How will corrections be paid?

New regular payments

After receiving your decision form we will process your decision.

You will then receive confirmation of your decision and the option to select your commutation options.

Once we know full details about your choices, we will let you know the date your revised pension payments will start.

If you are owed money

In some circumstances, you may be owed a one-off payment in respect of overpaid contributions, pension arrears or an increased lump sum.

These payments will be made to the bank account which your pension payments are currently made. We will write to you to confirm the value of this payment and when it will be made.

If you owe money

If you owe money you will have two choices about how to make this payment:

- make a one off payment covering the total value.
- have the value of the payment deducted from any lump sum that is due to you from the scheme.

Once you have made your decision, full details of how to make payments will be provided.

Impact on tax

Limits on the amount of pension you can build up

The Government sets limits on the amount of pension that can be built up each year. This is known as the Annual Allowance (AA) and is calculated by looking at your Pension Input Amount (PIA).

Each year you were building up benefits, if you exceeded the PIA, you will have received a pension saving statement detailing the amount that you built up in the police pension scheme.

Any changes to the benefits you built up during the remedy period, may change the amount of pension built up for each of these years.

Remediable pension savings statement

If, for at least one of the years between 2015 and 2022 (the remedy period), the benefits you built up in the police pension scheme were over the PIA, you may be liable for an additional tax payment.

If the data we hold for you indicates that this might be the case, once you have made your choice, you will be sent a remediable pension savings statement (R-PSS) that shows the PIA built up in each of the remedy years, which will allow you to determine whether any additional tax is due. However, to assist in making that choice, we have sent you a notional remediable pension saving statement (NR-PSS) so you can see how your choice impacts the PIA.

Income tax

The tax you pay on your pension income depends on the total value of income that you receive in any financial year. For example including income from other pensions or wages that you might be receiving.

As we do not hold details of your total income, we are not able to advise if changing to alternative benefits for the remedy period will impact the amount of income tax that you pay.

HMRC has processes in place to limit the impact of pensions paid in arrears. You can find out more details online: <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim75020>

Tax relief on contributions

Contributions to pension schemes receive tax relief, we have included details of this within your contributions calculations which are shown on

Making your choice

Please complete and return the enclosed remedy choice form to let us know your choice of benefits.

If you don't make a choice

We strongly recommend that you make a choice. If you don't make a choice, your scheme manager will make a decision for you based on the figures in this statement.

How long you have to make a choice

The figures in this statement are valid for 28 days, however you have up to 12 months to make your choice. If you do not make a decision within 28 days, the figures relating to interest that will be paid will be recalculated at the date you make a decision and the rate of interest used to calculate the payments will be reduced.

After you have made your choice

Once you have made a choice about your benefits, we will process your request and let you know the next steps.

Brief background to remedy

Past changes to the police pension scheme

In April 2015, a new pension scheme (called PPS 2015) was introduced. As part of the roll out of the new scheme, some members were given 'protection' and remained in their legacy scheme for a set period of time after April 2015 . This protection ran from 1 April 2015 to 31 March 2022 (or their retirement date, if sooner). This time period is now known as the 'Remedy period'.

After a legal challenge, the courts determined that these protections were age discriminatory and not fair to all members of the pension scheme i.e. younger members in the scheme were missing out on additional years of benefits from the original pension schemes.

Remedy period

The changes being introduced from 1 October 2023 aim to give all members the same choice of benefits for the 'Remedy period'. We refer to this as Remedy.

Service up to March 2015 Pre-Remedy	Remedy Period April 2015 to March 2022		Service from April 2022
Legacy 1987 or 2006	Fully protected - remained in Legacy Scheme		Reformed (2015) Scheme
	Mix of legacy (1987 or 2006) Scheme	And New (2015) Scheme	
	Unprotected - moved to Reformed Scheme on 1 April 2015		
Post Remedy	A choice of benefits: Legacy (1987 or 2006, whichever you were a member of) Scheme or Reformed (2015) scheme		Reformed (2015) Scheme

There is more information online at [policepensioninfo.co.uk](https://www.policepensioninfo.co.uk)

On this site you'll find frequently asked questions, useful animations explaining your remediable service statement and a handy calculator.

The legal bit

A number of legal documents determine the correct process for remedy. A key document is the PSPJO 29 – this provides full details of the Act that outlines remedy:

<https://www.legislation.gov.uk/ukpga/2022/7/section/29/enacted>

Compensation and dispute resolution

If you think you have been negatively impacted by remedy, in the first instance, you should speak with your scheme manager (usually a person within your police authority). Your scheme manager will follow an independent dispute resolution process (IDRP) to try and resolve your complaint.

If your scheme manager cannot resolve your query, you can raise a formal complaint with the Pensions Ombudsman.

Yours sincerely

The Police Pensions Scheme Regulations

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

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.

McCloud Remedy

As you will be aware, the ‘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 has been implemented with effect from 1 October 2023 to amend the Police Pension Schemes accordingly.

The effect of the Remedy has been to move your pension scheme membership for the period 1 April 2015 to 31 March 2022 (known as the ‘remedy period’) into the Police Pension Scheme 1987 (known as your legacy scheme). This is the default position and the enclosed Illustration A shows your retirement options should you elect to accept the terms of the Remedy.

You are not compelled to accept the terms of the McCloud Remedy and can instead elect for your membership during the remedy period to be considered as membership to the Police Pension Scheme 2015. The enclosed figures entitled Illustration B show your retirement options should you elect to reject the terms of the Remedy.

Enclosed with your illustrations is a ‘McCloud Remedy Declaration Form’ which should be completed and returned to confirm how you wish for your pension scheme membership to be treated with regards to the Remedy.

Police Pension Scheme 1987 (PPS1987)

Under the terms of the PPS1987 regulations, the benefits you accrued in the PPS1987 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 in the PPS2015 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 illustrations of the actuarially reduced PPS2015 benefits that are payable from your date of leaving the Force. 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.

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 the 6th of the month following your retirement date, 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 within **10 working days** of 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

Illustration A – 1987 Scheme

City of London Police: Police Pension Scheme 1987 Illustration of retirement benefits assuming you accept the McCloud Remedy

Name:	
Warrant No:	
Length of service in the 1987 Scheme	
Date of Retirement:	
Date of Birth:	

Pension Scheme Contributions to be Repaid	
Contributions owed:	£
Plus interest:	£
Total amount to be collected:	£

The outstanding pension scheme contributions will be collected directly from your commutation lump sum (see the figures overleaf). If, however you do not elect to take a commutation lump sum you will be required to pay this amount before your benefits can be brought into payment.

Annual Pension without Commutation Lump Sum

Gross Pension:	£ p.a.
Less Deduction for Scheme Pays:	£ p.a.
Gross Pension before Commutation	£ p.a.

Maximum **Authorised** Commutation Lump Sum

Amount to be Commuted:	£ p.a.
Residual Pension:	£ p.a.
Authorised Commutation Lump Sum:	£
Less outstanding scheme contributions:	£
Net 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)	£
Less outstanding scheme contributions:	£
Net Commutation Lump Sum:	£

Illustration B – 1987 Scheme

City of London Police: Police Pension Scheme 1987 Illustration of retirement benefits assuming you reject the McCloud Remedy

Name:	
Warrant No:	
Length of service in the 1987 Scheme	
Date of Retirement:	
Date of Birth:	

Annual Pension without Commutation Lump Sum

Gross Pension:	£ p.a.
Less Deduction for Scheme Pays:	£ p.a.
Gross Pension before Commutation	£ p.a.

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:	£

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Agenda Item 5

Committee: Police Pensions Board	Date: 5 November 2024
Subject: CoL: 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 Decision
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 some similar/generic risks are also included in the Local Government Pensions Committee risk register. The risks are CHB COLP PSB 02 Legislative Compliances, CHB COLP PSB 05 Pension Fraud, CHB COLP PSB 07 Cyber security and CHB COLP PSB 08 McCloud Legal Case.

Officers have conducted a preliminary review of the Risk Register and following the discussion at the April 2024 Board meeting are recommending changes to one of the target scores – CHB COLP PSB 08 McCloud Legal Case (from target risk score amber 8 to amber 6).

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 exception 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 2024, 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 exception basis to the Board. This is in line with standard risk review procedures across the rest of the City of London Corporation.

Review of Risks

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".
4. The Risk Register to be reviewed is attached at **Appendix 1**

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB COLP PSB 08	McCloud legal Case	12	
CHB COLP PSB 02	Legislative Compliance	4	
CHB COLP PSB 03	Pension Scheme Admin (Personnel)	4	
CHB COLP PSB 04	Pension Scheme Admin (Systems)	4	
CHB COLP PSB 05	Pension Fraud	4	
CHB COLP PSB 07	Cyber Security	4	
CHB COLP PSB 01	Actuarial Data	2	
CHB COLP PSB 06	Protected Pension Age	1	

5. The Risk Register contains eight risks which are summarised above. In the table, "Current Risk Score indicator" displays the current "RAG" rating for each risk. 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.
6. Officers have reviewed the Risk Register to establish whether the risk environment has changed and whilst all scores have been maintained at their previous levels each has been reviewed and updated where necessary in the Register itself.

Updates to the Risk Register are underlined throughout with deletions being struck through.

7. 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

Mitigation of amber and red risks

8. The target score for risk, CHB COLP PSB08 – McCloud Legal Case, had been given a score of amber 8. However, following discussions between officers and Members it has been reduced from an 8 to a 6.

Conclusion

9. The risks overseen by the Police Pension Board are primarily of low likelihoods but may represent substantial impact. There is one amber risk around the McCloud remedy (CHB Pensions 08). Continued implementation of the Remedy allows for the impact of the Remedy and the associated risk rating to be constantly assessed with the expectation that the score will continue to decrease.
10. 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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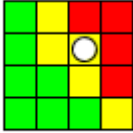
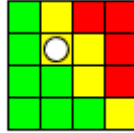

CHB CoLP Pensions Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Graham Newman

Generated on: 22 October 2024



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 CB 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>12</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 and subsequently published a consultation document that sets out options for how the government will remove the discrimination.</p>	 Likelihood Impact	<p>6</p> <p><u>31 Dec 2024</u></p>	

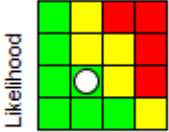


			<p>In February 2021 HM Treasury published its response to the consultation document and set out its preferred remedy choice.</p> <p>The Home Office also released a document relating to the government response but aimed specifically at the Police Pension Scheme. Their document gives general details as 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 is in respect of implementation of the deferred choice underpin.</p> <p>The finalised Police Pensions (Remediable Service) Regulations 2023 were laid in Parliament on 20 July 2023 and came into force from 1 October 2023.</p> <p>Since this date, all new retirements have been calculated with reference to the Remedy and retiring officers have been provided with a Remediable Service Statement to provide them with comparative figures – i.e. what they would receive with the Remedy</p>				
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<p>22-Jan-2021 Graham Newman</p>			<p>and what they would receive if they elected to reject it.</p> <p>Officers that retired before October 2023 must be contacted before April 2025 and be provided with their potential options under Remedy.</p> <p>Those officers that are still active members of the pension scheme must be provided with details of their benefits as a result of Remedy by September 2024.</p> <p>22 February 2024</p>			<p>Constant</p>
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
<p>CHB COLP PSB 08a</p>	<p>The Public Service and Judicial Offices Act 2022 confirmed the intention to introduce legislation to the statute books from 1 October 2023 but applied retrospectively to 31 March 2012 and 31 March 2015. The Pensions Office will need to prepare for the implementation of the new regulations, including the development of processes and calculations for the amended schemes and should be aware of all relevant correspondence issued by the Home Office / National Police Chiefs Council (NPCC) and regular attendance at seminars, forums, webinars and user groups – this includes the Technical Working Group.</p>	<p>Continue with membership of working groups (Police Technical Group, South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group. Aquila Heywood Police & Fire User Group), to ensure development of software and understanding of legislation.</p> <p>Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office / NPCC.</p> <p>Membership to these groups etc to continue to ensure that the Pensions Office is kept up to date with any developments and issues that may arise.</p>	<p>Graham Newman</p>	<p>6-Oct-2023</p>	<p><u>31-Dec-2024</u></p>
<p>CHB COLP PSB 08b</p>	<p>Identification of eligible scheme members who will qualify for the remedy. All data must be reviewed and if necessary amended. In some cases data may be missing and must be requested from Force and previous pension providers</p>	<p>Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.</p> <p>Software provider has developed systems to identify qualifying scheme members in bulk reports.</p>	<p>Graham Newman</p>	<p>6-Oct-2023</p>	<p><u>31-Dec-2024</u></p>

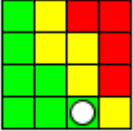
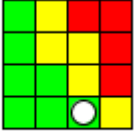

		Any missing information to be obtained and scheme member record update			
CHB COLP PSB 08c	System Development calculation/revaluation	<p>The software has been updated to allow for calculations and recalculations of deferred benefits and those already in receipt of pension to identify incorrect values and any over/underpayments. The calculators are kept under constant review to ensure that they work as intended and regular updates are provided as they are developed by the software supplier.</p> <p>Calculators have also been developed and provided by the Government Actuary's Department to calculate arrears payable/collectible (benefits and contributions) plus interest payable if applicable</p>	Graham Newman	22 Feb 2024	<u>31-Dec-2024</u>
<u>CHB COLP</u> <u>PSB 08d</u>	<p>Continue to work in conjunction with Force HR/NPCC in respect of all communications to be sent to affected officers.</p> <p>Regular contact and discussion between all relevant parties – Force HR, Pensions Administration & Federation.</p>	<p>It will be essential for communications to be regular and clear.</p> <p>The Pensions Office Police Pensions webpage carries current information from various sources including the Home Office. Further communications will continue to be added as it is released.</p> <p>The 2023 Annual Benefit Statements (ABS) contained a statement on McCloud provided by the Home Office</p> <p>The ABS will need to be amended following implementation of the amended regulations as a Remediable Service Statement will need to be provided for each active scheme member in 2024.</p> <p>Scheme members who may be affected will need a final communication confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.</p> <p><u>For scheme members that are eligible for the McCloud Remedy, the 2024 Annual Benefit Statements included a 'Remediable Service Statement'(ABS-RSS) that provided details in respect of McCloud, comparative details should they elect to accept or reject the Remedy and the estimated payment / refund due dependent upon their decision.</u></p> <p><u>Where, as a result of implementing the McCloud Remedy, a scheme member's pensions growth has retrospectively exceeded the Annual Allowance during the Remedy Period a Remediable Pension Savings Statement (R-PSS) was issued.</u></p> <p><u>Document templates for both the ABS-RSS and R-PSS were provided by the National Police Chief's Council (NPCC).</u></p>	Graham Newman	<u>22 October 2024</u>	<u>31-Dec-2024</u>

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 Graham Newman	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 2025	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
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	22 May 2024	31 March 2025

Appendix 1

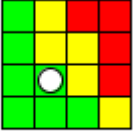
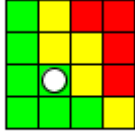
		Resources were confirmed by the City of London Police to provide for an additional pensions administrator role within the Pensions Office. Interviews were held in February 2024 and the successful candidate was appointed to the new position with effect from 1 April 2024.			
CHB COLP PSB 02b	The governing 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	6 Oct 2023	31 March 2025

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>8 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>Incorrect member data, lack of administrative knowledge and skills could lead to incorrect calculation of pension benefits and delays in payment. This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator</p> <p>The Pensions Office had a long outstanding vacancy for the lead police administrative role. This post was filled in October 2023 and resources to allow for a new police administrative role were confirmed by the City of London Police. Interviews for this new role were carried out in February 2024 and the successful candidate started with effect from 1 April 2024.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>31 March 2025</p>	

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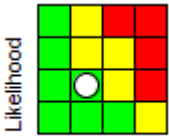
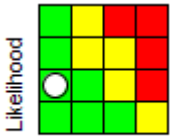

30-Aug-2019 Graham Newman				22 May 2024					Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 03a	Job descriptions used at recruitment to attract candidates with skills and experience related to police pension administration. The appraisals process to monitor progress and assess training needs.	Ensuring that candidates with the necessary skills and abilities are employed by the City. Once in post, staff continue to receive relevant training and attend courses, seminars and conferences when appropriate.	Kate Limna	6 Oct 2023	31 March 2025
CHB COLP PSB 03b	Scheme administrators are trained to use the pensions administration software.	Ensuring that administrators are fully trained to use the pension administration software to enable them to provide accurate and efficient calculations. In addition, administrators should know the correct process to report to the software provider any errors encountered with the system in order that they can be investigated and resolved.	Graham Newman	6 Oct 2023	31 March 2025
CHB COLP PSB 03c	Rigorous and thorough checking procedures are created and implemented to ensure all calculations and letters are checked for accuracy and legislative compliance.	All checking procedures reviewed and where necessary amended originally to take account of COVID 19 and hybrid working-	Graham Newman	6 Oct 2023	31 March 2025
CHB COLP PSB 03d	Practical disaster recovery/succession plans in place to ensure continuity in the event that key staff leave or are unable to work for a prolonged period of time.	Ensuring that skill sets are not restricted to one staff member alone. Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable. Disaster Recovery reviewed in light of hybrid working.	Graham Newman	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025

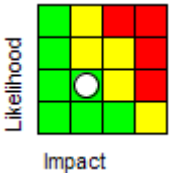
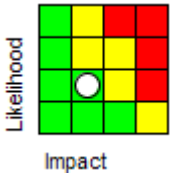

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CHB COLP PSB 04 Pension Scheme admin (Systems)</p> <p>30-Aug-2019</p>	<p>Cause:(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.</p> <p>Event: Failure of the Pension Scheme administration software.</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 Pension Scheme administration software is designed to support the administrator by providing efficient and accurate benefit calculations.</p> <p>The software system is regularly updated by the provider as improvements to the software are developed and as new regulations and guidance is released by the legislative bodies.</p> <p>If the software system fails it may lead to benefits being calculated inaccurately or the failure to calculate them at all.</p> <p>A loss of confidence in the system may require all calculations to be carried out manually which would be time consuming and may mean that statutory deadlines are not met. This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.</p> <p>A ' member self-service' on-line portal is in the process of being rolled-out to all pension scheme members. This will require an assessment for the purposes of adding to the Risk Register.</p> <p>22 February 2024</p>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>31 March 2025</p>	<p>■</p> <p>Constant</p>

Graham Newman							
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP PSB 04a	Training on how to use the software and how to recognise and report problems and faults to be provided to all staff.	Any faults with the system should be reported to the software provider as soon as possible and therefore it is important that all staff can recognise any issues and know how to report them.	Graham Newman	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025
CHB COLP PSB 04d	Ensuring the security of the new pensions administration 'member self-service' portal.	Ensuring that the pensions administration 'member self-service' portal is accurately assessed for the purposes of the Risk Register.	Graham Newman	22 February 2024	31 March 2025

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 Graham Newman	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	 Likelihood	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. 6 Oct 2023	 Likelihood	2	31 March 2025	 Constant

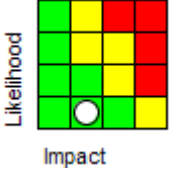
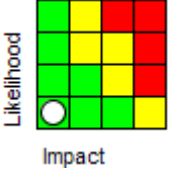
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB COLP-PSB 05a	Robust fraud protection/detection processes.	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners.	Graham Newman	6 Oct 2023	31 March 2025
CHB COLP PSB 05b	Robust identity verification processes	Controls in place to verify and ensure the legitimacy of any signed discharge form. This must also include timeframes in respect of how long a letter of authority from a scheme member is valid.	Graham Newman	6 Oct 2023	31 March 2025

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 Page 70 14 Aug-2019 Graham Newman	Cause: IT system failures due to ineffective procedures, or Inadequately trained staff. 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		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.		4	31 March 2025	
								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	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025
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	6 Oct 2023	31 March 2025

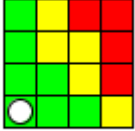
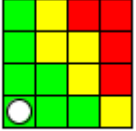

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CHB COLP PSB 07d	Pensions administration staff to be aware of Data Protection legislation.	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working, ensuring the protection of scheme member data.	Graham Newman	6 Oct 2023	31 March 2025
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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 Graham Newman</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>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>6 Oct 2023</p>		<p>1</p>	<p>31 March 2025</p> <p>Accept</p>	<p>Constant</p>

Appendix 1

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	6 Oct 2023	31 March 2025

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 06 Protected Pension Age (PPA)	<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.</p> <p>Event: Protected Pension Age (PPA)</p> <p>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>Likelihood</p> <p>Impact</p>	<p>1</p>	<p>31 March 2025</p>	
<p>30-Aug-2019 Graham Newman</p>				<p>6 Oct 2023</p>				<p>Constant</p>

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>	Kelly Glazebrook	6 Oct 2023	31 March 2025
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>	Kelly Glazebrook	6 Oct 2023	31 March 2025
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>	Kelly Glazebrook ; Graham Newman	6 Oct 2023	31 March 2025

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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)

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		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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Agenda Item 6

Committee(s): Police Pensions Board	Dated: November 2024
Subject: Scheme Manager Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	CoLP impact the following Corp Plan outcomes: Vibrant Thriving Destination- (Community Safety/ CT) Dynamic Economic Growth- (National Lead Force)
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: Commissioner of Police	For Information
Report author: Kelly Glazebrook, Director of People Services	

Summary

This report provides an update on Scheme Manager activities over the last quarter including development of a process for assessment of non-automatic compensation claims, communications to service and retired officers and complaints received.

Recommendation(s)

Members are asked to note the report.

Main Report

BACKGROUND

1. This report provides an update on Scheme Manager activities over the last quarter.

MAIN REPORT

McCloud communications

2. Internal communications have been shared with serving officers signposting them to a range of guidance on McCloud developed by National Police Chiefs' Council (NPCC).

3. A letter from the Commissioner was sent to retired officers to signpost them to NPCC guidance on McCloud and advise them when unprotected and tapered protection pensioner members would receive their remedial service statements.
4. Serving officers were regularly updated on the delay in issuing remedial service statements and annual benefits statements. Chief officers and members of the Pensions Administration team also met with representatives from the Police Federation and Superintendents Association to discuss.

Compensation process

5. The changes to Police Pensions introduced from 1 October 2023 aim to give all members the same choice of benefits for the remedy period (1 April 2015 to 31 March 2022). As part of the decision-making process, or because of choice made, there may be some loss which may be compensated for. Some of this is automatic (eg contribution adjustments) and some is non-automatic.
6. Whilst there is no definitive list, the below provides examples of what falls into the category for non-automatic.
 - Accountancy Services
 - Legal Services
 - Financial Loss
 - Part 4 Tax Loss
7. Further information is contained in NPCC guidance which also provides details of what cannot be claimed against: [NPCC-Member-Remedy-factsheet-Compensation.pdf \(policepensioninfo.co.uk\)](https://www.policepensioninfo.co.uk/NPCC-Member-Remedy-factsheet-Compensation.pdf)
8. A process for managing and assessing compensation claims has now been developed and will be communicated to serving and retired officers. It is based on NPCC guidance. A decision on whether or not to accept the claim will be made following a review of the evidence by a monthly panel chaired by the Director of HR comprising representatives from Finance and the Pensions Office.

Complaints

9. Five complaints have been received through the complaints process. Four complaints related to not receiving a response from the Pensions Administrators about when they would receive their contribution adjustment payment. One complaint was from another force relating to non-receipt of pension information for an officer who had transferred to them.

Kelly Glazebrook
Director of HR
City of London Police

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