

Dear

The Police Pension Regulations

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

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

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

The benefits you will have accrued in the 1987 Scheme are 'Final Salary' benefits which mean they are based upon your Scheme membership and your Average Pensionable Pay (APP) at leaving. Please note, your 1987 scheme benefits will retain their 'final salary' link and will therefore be calculated with reference to your APP when you leave the Force and not the date at which your 1987 scheme membership ended.

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

Please find attached estimate has been calculated on the assumption that you remain in the pension scheme and retire from the Force on.

A pensionable pay figure of £ 00,000.00 has been used for both the Final Salary and the CARE portions of your benefits both estimates.

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

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

Commutation

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

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

maximum lump sum permissible under the Police Pension Scheme Regulations (together with the tax implications).

McCloud

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

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

The secondary legislation which will allow all eligible police officers that were originally awarded 'tapered protection' or 'no protection' from the 2015 reforms to be retrospectively moved back into their 'legacy scheme' up until 31 March 2022 has now been confirmed and will become effective from 1 October 2023. However, we await the guidance that will allow us to implement the Remedy and until this is available we can only provide estimates based upon the current scheme rules.

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

Officers that retire before the necessary secondary legislation has been passed will have their pension benefits amended retrospectively once it is possible to do so. Please be aware, the process to amend benefits already in payment may take until 2025 to be finalised.

This information is based on our understanding of the secondary legislation. Further clarification and guidance is required before I am able to provide any further information, including estimated retirement benefits based on the new Regulations. Information in respect of the forthcoming changes will be provided to officers as further details become available.

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

I trust that the above information is clear, but should you have any further queries please do not hesitate to contact me at

Police Pension Scheme Regulations

Estimate of Pension Benefits

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

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

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