

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