

2. The New Police Pension Scheme "at a glance"

Key features

- All new recruits to the police service from 6 April 2006 onwards become members of NPPS.
- Police officers contribute 9.5% of their pay to the scheme, which represents about one-third of the cost of providing pension benefits.
- NPPS is a 'final salary' scheme, which means that your pension is calculated as a proportion of your 'final pensionable pay'. This is generally earnings in your last year of service as a member of the scheme.
- The pension that you will receive depends on your pensionable service, which for most officers will be the length of service in the police force for which you have paid pension contributions, with appropriate adjustments for part-time service.
- NPPS is funded by the contributions from officers and police authorities, topped up by central Government.

Pension benefits for police officers

- The earliest date that a pension can be paid is 55.
- 35 years' service is needed for a maximum pension.
- A maximum pension is an annual payment of half of final pay, plus an automatic tax-free lump sum of four times the annual pension.
- Final pay can take account of pay in up to 10 years prior to retirement, if this would give a bigger pension.
- Each year of pensionable service gives entitlement to a pension of 1/70 of final pay, up to a limit of 35/70.
- Pensions in payment are increased for inflation.

Benefits for others on the death of a police officer

- A lump sum death grant of three times' pay is payable and you have some freedom to nominate who should receive it.
- A pension for a spouse or civil partner is payable for life – these are normally half of the officer's pension entitlement.
- A partner who is neither a spouse nor a civil partner may be eligible for a pension payable for life, subject to completion of the required declaration.
- Dependent children under the age of 23 may qualify for a pension.

Other features

- An immediate pension and lump sum is payable to any officer at any age who is granted ill-health retirement.
- There is a facility to buy more pension in the scheme ('added years') within the overall limit of 35 years.
- It is possible to exchange all or part of the lump sum for more annual pension.
- Every officer has an opportunity to opt out of the scheme.

- If you build up pension rights in the scheme but leave the police service (or opts out of the scheme) before retirement, you will be eligible for a 'deferred pension' payable at age 65.

Pensions for unmarried partners on the death of a police officer

An important feature of the scheme is the provision for the payment of a pension for life to a police officer's partner, even if you are not married to each other or in a civil partnership. But you must satisfy a number of conditions and you and your partner must complete all the necessary documentation – otherwise no pension can be paid. See section 5.5.2 for details.

Medical retirement and ill-health pensions

A police authority has discretion to retire a police officer on medical grounds. In common with other leading public sector pension schemes, there are two levels of ill-health pension:

- **A standard ill-health pension**, payable if you are disabled for the ordinary duties of a member of the police force. If you are entitled to a standard ill-health pension, you will receive immediate payment of the pension benefits which you have built up at the date of your ill-health retirement.
- **An enhanced top-up ill-health pension**, payable in addition to a standard ill-health pension if you are disabled for any regular employment (meaning employment for an annual average of at least 30 hours per week). If you are entitled to an enhanced top-up ill-health pension, you will receive immediate payment of pension benefits as with a standard ill-health pension, but the top-up has the effect that your pensionable service is enhanced by up to 50% of your prospective service to age 55. For example, if you are aged 35, the enhancement of service is up to 10 years.

The level of disability is determined by a doctor and there are appeal rights against medical decisions. Both types of pension will be increased for inflation for as long as they are paid. Police authorities have discretion to review the payment of ill-health awards at intervals.

Even if you are judged to be disabled, it does not automatically follow that you will be granted ill-health retirement. The police force will consider whether there alternative duties that you could perform and still remain in the service (taking account of your overall capabilities).

There are separate arrangements for the payment of injury awards to officers who suffer injury on duty, which are outside the pension scheme.

Other points

- The scheme does not have a formal Additional Voluntary Contribution (AVC) arrangement, but you are free to make contributions to personal pension schemes as well as the police scheme within very wide limits.

- **It is possible for deferred pensions (payable at age 65) to be paid early on request, but this will be subject to "actuarial reduction" to reflect that they will be paid earlier and for a longer period.**

