

2. The Police Pension Scheme 2015 “at a glance”

Many members joining the 2015 Scheme on 1 April 2015 (and those joining the 2015 Scheme at the end of their Tapered Protection Period) will also have service under the 1987 Scheme or the 2006 Scheme. The member's accrued rights under the 1987 Scheme or the 2006 Scheme will be protected (see section 12 'Tapered protection and members with accrued rights under the 1987 Scheme or the 2006 Scheme).

2.1 Key features

- The 2015 Scheme is a Career Average Revalued Earnings (CARE) pension scheme. This means that for each year you are an Active Member you will earn a fraction of your Pensionable Earnings (1/55.3) for that year as earned pension and this will be revalued for each subsequent year until you retire.
- Earned pension will be added to your pension pot in each year of pensionable service under the 2015 Scheme, and will be revalued at the end of each year.
- Whether you work full-time or part-time your earned pension is built up in the same way.
- The 2015 Scheme is funded by the contributions from members and Police Pension Authorities (e.g. the Chief Constable).

2.2 Pension benefits for members

- The Normal Pension Age (NPA) is 60.
- The Normal Minimum Pension Age (NMPA) is 55.
- You have the option to retire at any time after NMPA and to take immediate payment of your pension; if you decide to retire with immediate payment of your pension after NMPA and before NPA, your 2015 Scheme benefits will be actuarially reduced by reference to NPA.
- You may remain an Active Member of the 2015 Scheme as long as you wish (there is no maximum period of service). If you decide to continue in service

beyond NPA there will be an actuarial uplift applied to your pension as it will be paid later than it would be in normal circumstances.

- While you are an Active Member, the rate of revaluation applied at the end of each Scheme Year (31 March) to the earned pension accrued for that year is the movement in the Consumer Price Index (CPI) + 1.25%. The revalued amount forms the opening balance of your pension for the next Scheme Year.
- For each Scheme Year that you are an Active Member of the 2015 Scheme, your earned pension is 1/55.3th of the value of your Pensionable Earnings for that Scheme Year (uprated by CPI + 1.25%).
- Pensions in payment to members are increased every year in line with CPI under the Pensions (Increase) Act 1971.

2.3 Benefits for others on the death of a member

If you should die whilst serving as an Active Member then:

- A lump sum death grant is payable (see section 10.4 'Lump sum death grant'). The payment is 3 times your Final Pay if your period of service was at least 12 months (otherwise it's 3 times your annualised final pay).

If you die whilst a member of the 2015 Scheme:

- A pension will be paid to your spouse or civil partner for the rest of their life.
- A partner who is neither a spouse nor a civil partner may be entitled to payment of a pension for life, subject to having completed the required declaration (see section 10.2.2 'Declared partners').
- Eligible children under the age of 23 may qualify for a pension.

2.4 Other features

- You will be able to commute part (up to 25%) of your pension at a rate of 1:12; therefore for every £1 of pension given up you receive a lump sum of £12.

- If you accrue rights in the 2015 Scheme but leave the police force (or opt out of the 2015 Scheme), without taking a pension or a refund of contributions, you will be entitled to a Deferred Pension payable from your State Pension Age (SPA).
- If you have accrued benefits in the 1987 Scheme or the 2006 Scheme, those benefits will remain in that scheme.
- An Active Member may opt out of the 2015 Scheme (see section 3.3 'Opting out').

2.5 Compulsory ill-health retirement and ill-health pensions

The Police Pension Authority has discretion to retire a member on medical grounds.

There are two levels of ill-health pension which may become payable under the 2015 Scheme (members with previous service in the 1987 Scheme or the 2006 Scheme who have not reached NPA receive an ill-health pension which reflects service in their existing schemes):

- Lower Tier, payable if you are permanently medically unfit for the ordinary duties of a member of the police force but not permanently medically unfit for any regular employment. If you are compulsorily retired on these grounds, you will become entitled to immediate payment of a lower tier ill-health pension and will have the option to commute part of it for a lump sum. Your benefits will be calculated based on the amount of your accrued pension at the time of your ill-health retirement. There will be no reduction for early payment and no enhancement.
- Enhanced Upper Tier, payable if you are permanently medically unfit for the ordinary duties of a member of the police force and also permanently medically unfit for any regular employment. If this is the case you will receive this pension in addition to the lower tier ill-health pension.

The level of medical unfitness is determined by a Selected Medical Practitioner (SMP) and there are appeal rights against medical decisions. An ill-health pension will be increased in line with CPI for as long as it is paid. Police Pension Authorities may review the payment of ill-health pensions at regular intervals.

Even if an SMP determines that you are permanently medically unfit, it does not automatically follow that you will be granted ill-health retirement. The Police Pension Authority will consider whether there are 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 benefits to members of a police force who are injured on duty. The details can be found in the Police Injury Benefit Regulations.

2.6 Other points

- Purchasing added pension (where you can increase your pension by paying additional contributions) is currently limited to £6,500 per year. The limit may be altered by HM Treasury (HMT). Added pension is revalued by CPI in line with the Pensions (Increase) Act 1971.
- The 2015 Scheme does not have a formal Additional Voluntary Contribution (AVC) arrangement, but you do have the option to make contributions to a separate personal pension scheme in addition to your contributions to the 2015 Scheme within limits prescribed by HMRC.
- It is possible for Deferred Pensions (payable in full at your SPA) 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.
- Deferred Pensions can also be paid early when a Deferred Member is permanently medically unfit for regular employment. These are not subject to Actuarial Reduction.