



Pensions & Tax
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Police Schemes – Pensions & Tax

- Staff Associations' letter to Minister – mid 2018
- 12 November – Minister seeks 'evidence'
- Home Office proposes data
- January 2019 SAB – Home Office writes formally proposing data – but..

Recent Changes:

- Pay restructuring of superintending ranks.
- Varying annual inflation (high inflation mitigates the impact of Annual Allowance; officers with identical earnings can be adversely affected in different years solely because of the annual CPI inflation rate).
- A 2-part annual allowance tax year in 2015-16
- Police pay growth in recent years, following several years of pay restraint (incremental freeze; 1% pay awards; limited promotion opportunities).
- The current pay, rank structure, with relatively large increases on pay on promotion and during the initial years following promotion.
- Changes to the Annual Allowance threshold and the introduction of the Tapered Annual Allowance.
- Loss of availability of carry forward as a result of pay changes, inflation changes and reduced threshold.
- We know where the impacts are : - 1987 Scheme £80,000 p.a.

SAB concerns:

- New entrants
- In service opt outs
- Annual Benefit Statements
- Pensions & Tax
- Auto re-enrolment 2020

NPCC concerns:

- Few applicants for senior rank roles
- Some reluctance to progress at Superintending Rank
- Succession & Experience
- Uplift
- Combined impact over 3 years

Flexibilities Sought:

- ❖ scheme member choice to be available to elect to have an element of pay as pensionable or non-pensionable pay.
- ❖ scheme member choice to vary future accrual 1987 scheme 1/45 per year, (the equivalent uniform accrual rate).
- ❖ 2015 member contributions at half rate (= 50/50).
- ❖ The availability of a minimal level of membership, contributory but with death in-service and survivor benefits only - no in service accrual.
- ❖ choice to members with membership of 2 schemes to elect to which scheme any 'scheme pays' pension debit should be applied
- ❖ availability of commutation at the rate of 25% of pension for members of the 1987 scheme aged over 50 with at least 25 years' service, subject to Chief Constable approval