

October 2024

Pension Newsletter

Remedy continues to throw up issues and this is an update of the current issues, the website will also be updated regularly. Useful links will be included at the end of the Newsletter.

ABS/RSS Rollout

The issue of annual benefit statements and remediable service statements for active members has not gone smoothly. There is a mixed picture across the Country and there is a postcode lottery feel to this. This is not acceptable and PFEW continue to raise our concerns with Forces, the NPCC, the Scheme Advisory Board for the pension, and the Home Office.

We won't rehearse the arguments we have made and continue to make around the issues and the interest being charged and we have further meetings regarding this in the coming weeks.

On a practical level the only thing that needs to be decided at this stage is what to do with the contribution adjustment for tapered and unprotected officers. The choice of pension for the remedy period is not made until retirement.

1987 legacy members need to decide whether to pay the adjustment plus interest minus tax relief within three months of receipt of the ABS-RSS or defer it to another annual statement event or to retirement.

2006 legacy members need to decide whether to take the adjustment or leave it on account.

The issue with taking it now is if you choose the 2015 for the remedy period at retirement. There would then be a further contribution adjustment and you would owe the refund plus interest. If members keep the money where it is it will earn interest which will negate the above issue. If members choose the 2006 then they would get the refund plus the additional interest.

Members could also take the money and invest it themselves. They could take the money and spend it and then deal with any contribution readjustment at retirement.

As for the figures forecasted in the statements, they are not really an appropriate document for retirement planning as they use historical pay date and forecast to the age sixty. It is prudent to use their publication to check the fundamentals are correct. Date of birth, date of joining, pension brought in, reckonable service in the legacy schemes can all be checked and verified if necessary.

Administrators can provide quotes for specific dates in the future and they should be used. Currently they are only providing forecasts for months ahead this should open up further when the remedy work settles down. Again, any forecast beyond a year or so becomes speculative because of the unknown variables of pay rises and inflation.

Pension Savings Statements (PSSs)

PSSs are provided to members who have breached their annual allowance of what they can save into their pension each year. This is currently £60,000 each tax year. For police purposes this is not the contributions made but is calculated on the growth of the pension during the year.

Basically, it affects Inspectors and above.

There was a 6th October 2024 deadline for these to be published and this was for the 2023/24 tax year and for the remedy period so that affected officers can comply with HMRC requirements.

A breach of the allowance does not mean there is a tax charge as unused allowances from the previous three years can be used to offset breaches. All pensions need to be tested against the annual allowance limit.

This is a complex area and members can apply through the compensation framework for tax advice if required.

After all of that, the publication of PSSs has not gone well and many members who will be due a PSS have not yet received one. If this is going to cause a member an issue then speak with the Force in the first instance. If the HMRC deadlines become an issue then ask the Force how this should be addressed as they have not provided the required figures.

Compensation Process

Forces should have published their guidance for how members can claim compensation for losses and advice required as a result of the remedy. The guidance should explain how compensation can be applied for and the appeals process if the application is unsuccessful.

From a practical point of view members may wish to get pre-authorisation from their Force before spending money on advice. Any issues in this area please speak with your local Branch Board in the first instance.

Immediate Choice Members

These are officers who retired before 1st October 2023 and need to be remedied as they have pension in both schemes for the remedy period and you can only have a legacy scheme or the reformed scheme for that period.

There had been an unauthorised tax charge issue for officers who took the maximum lump sum and were due top up lump sums as part of the remedy rectification. That has now been resolved and the HMRC link for the solution is here: [Appendix B — offsetting process for the unauthorised payments charge - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118118/Appendix_B_-_offsetting_process_for_the_unauthorised_payments_charge_-_GOV.UK.pdf)

It is complex and will take some time to be implemented by administrators. This is an area where officers will need financial advice under the compensation framework.

Contingent Decisions – Opt Out Buy Backs

The buy backs are still paused and PFEW have asked the Home Office for an update on when this is going to be resolved. For a quick recap the issue is which pension can 1987 legacy members opt back into as the legislation suggests it should be 2006 which obviously does not put members back to the position, they would have been but for the discrimination.

PFEW will update members as soon as we get an update.

On the contingent decision front members who made decisions regarding part-time, maternity leave buy back and career breaks due to remedy are not covered by the contingent decision process. PFEW have raised this with the Home Office.

There are other issues with maternity leave buy back, part-time hours and the transfer of data between Forces. Detective Superintendent Frankie Westoby has kindly produced the form in the below links. If you are having any issues as above then please complete the form and we will collate the issues and use the data to challenge the necessary stakeholders.

[Police Pensions - Maternity, Parental and Part Time Issues \(office.com\)](https://office.com)



Pension Trap

PFEW hope to be able to update members in the coming weeks on the pension trap.

Autumn Budget

We have received numerous enquiries regarding what the Chancellor may or may not announce in her budget on 30th October 2024. PFEW along with the other police staff associations have written to the Chancellor expressing concerns regarding the rumoured change in commutation taxation. There is no further information available and the press articles are no more than speculation at this stage.

Useful Links

PFEW Pension Website:

[Pensions Update \(polfed.org\)](http://polfed.org)

NPCC Website lots of useful information and guidance, including compensation guidance, the News section is also updated regularly:

[Police Pension Info - policepensioninfo.co.uk](http://policepensioninfo.co.uk)

Have a look at the website and the newsletters and if there is anything else you would like covered, please e-mail us:

PensionEnquiries@polfed.org