

# BENEFITS OF THE POLICE PENSION 2015 CARE SCHEME

The Police Federation of England and Wales has put together a guide for members to explain the benefits of the new 2015 CARE Scheme which came into effect on 1 April 2015. Members who started in the police force before that date were able to join the Police Pension Scheme 1987 (1987 Scheme) or the New Police Pension Scheme 2006 (2006 Scheme). As of 1 April 2022, all members including 1987 and 2006 scheme members have moved across to the 2015 CARE Scheme.

%

## BENEFITS

Provides a stable, guaranteed income for you when you retire.

Provides pensions and a lump sum for your family in the event of your death. Survivor pensions are payable for life, whether you are married to your partner or not.

Provides benefits for you if you become too ill to work.

All accrued pension is increased each year by CPI + 1.25%

55

## FLEXIBILITY

Ability to retire from service and access your pension immediately at any point from age 55.

Ability to commute a proportion of your pension for a tax-free lump sum.

Ability to pay extra contributions to obtain extra pension.

£

## TAX ADVANTAGES

The contributions you pay receive tax relief which means that, for a basic rate tax payer, for every £8 you contribute the government pays an extra £2.

Any commuted lump sum you choose to take will be paid tax free.

✊

## FAIRNESS

There is no compulsory retirement age under the scheme.

There is no upper limit on the number of years you can accrue scheme benefits.

The scheme operates on a Career Average Revalued Earnings (CARE) basis, meaning that for each year of membership you pay contributions and accrue benefits on your pensionable earnings during that year.

🛡️

## SECURITY

The scheme is a defined benefit arrangement meaning that the level of benefits at retirement are guaranteed and are not subject to the market performance of any investments. This means that you do not bear any financial risk.

The Scheme is sponsored and financially backed by the Government.

Benefits accrued to date cannot be reduced or removed.



# ADDITIONAL ADVANTAGES FOR MEMBERS WITH PREVIOUS SERVICE IN PPS 1987 OR NPPS 2006

Some or all of the following additional benefits will apply to you provided that your active membership of your original police pension scheme and the CARE scheme is continuous.

## FINAL SALARY LINK

Your accrued pension in the 1987 or 2006 scheme will be calculated using your final pay when you leave or retire from the CARE Scheme, not the salary you were receiving when you ceased to be an active member of your original scheme.

## ACCESS TO BENEFITS

Combined pensionable service under your legacy scheme and the CARE scheme will count when assessing when you can access your legacy scheme benefits. This means that you will be able to access your legacy scheme benefits at the same point you expected to. However, please note that it may not be possible to access your CARE Scheme benefits at the same time, as the minimum age for access to those benefits is age 55.

## WEIGHTED ACCRUAL

If you were previously a member of PPS 1987, that part of your pension is adjusted to take account of the years of double accrual you would have been able to complete if you had been able to remain an active member of PPS 1987.

## ILL-HEALTH RETIREMENT

If you have to take ill-health retirement, the pension you receive will be calculated on a “two pot” basis, taking into account your membership of both the CARE Scheme and your legacy scheme. This method means that you will never be worse off than if you had been ill-health retired on your last day of legacy scheme membership.

## DISADVANTAGES OF NON-MEMBERSHIP

- As a member of the scheme, your force and the Government pay significant levels of contributions towards the provision of your benefits. Their contribution rate is well in excess of the level of contributions you pay. If you are not a member of the pension scheme, these contributions will not be paid into any other arrangement on your behalf. This means that you will be missing out on a significant element of the overall remuneration package available to you as a police officer.
- If you are not paying contributions to the scheme you will miss out on the tax relief available on them.
- If you choose to invest for your retirement elsewhere, it is highly unlikely that this will generate sufficient returns to provide anywhere close to those that you would have received from the CARE scheme.
- Investing elsewhere means that you alone will bear the investment risk and there is no guarantee as to what you will receive at retirement.
- You will lose access to the death in service lump sum and the eligibility to apply for an ill-health pension.

Please scan the QR code to get the full 2015 Police Pension Scheme members guide

