



Scottish Police Federation

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JCC Circular 52 of 2014

Attachments: Background to Proposed Changes
Key differences between DRAFT Scottish and England & Wales regulations
Draft Regulations
Comparison of police pension schemes

Ref: CS/LS

Dear Colleague

13 November 2014

2015 Police Pension DRAFT Regulations - Consultation

The Scottish Public Pensions Agency (SPPA) has launched a formal consultation on a DRAFT of the 2015 Police Pension Regulations. I appreciate that a formal consultation on a DRAFT is slightly unusual but the pressure of time and complexity of the subject effectively compel this approach.

You should be aware that the vagaries of devolution demand that the police pension schemes in Scotland, England & Wales and Northern Ireland be drafted separately. Even at this relatively late stage not all of the details have been finalised despite the persistent representations by Staff Side representatives in all jurisdictions.

I appreciate the regulations are highly technical and will not be easily understood.

Please note that both employee and employer contribution rates due from 1 April 2015 have still to be finalised. An announcement on this was expected by the end of October but may now not be advised before the end of November.

Employee contribution rates, the employer contribution rate and the employer cost cap will be set by the 31 March 2012 valuation which is due to conclude shortly. These will be included in the regulations when confirmed.

Please note, the scheme design is expected to deliver an average employee contribution yield of 13.7%. Due to the likelihood of members with full or tapering protection paying contributions at a different rate to those immediately in the CARE scheme it is possible the CARE contribution rate will initially be lower than 13.7% (although they will increase to that by 2022).

Please find attached;

- Background to Proposed Changes
- Key differences between DRAFT Scottish and England & Wales regulations
- Draft Regulations
- Comparison of police pension schemes

In addition the SPPA has a number of FAQs and worked examples on their website. You should note these were initially advised in JCC Circular 58 of 2013.

Please submit any comments/observations you may have to your local federation office.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Calum Steele', with a horizontal line extending from the end of the signature.

Calum Steele
General Secretary

ANNEX A

Background

In 2010, the UK Government gave a commitment to review the long-term affordability and sustainability of public service pension schemes. Although Scottish Ministers have executive devolved powers to make and amend regulations covering Police Pension Schemes, overall occupational pensions policy remains reserved to the UK Government.

Recommendations made by Lord Hutton of Furness' review of public service pensions were subsequently reflected in the UK Government's Public Service Pensions Act 2013 which provides:

- The end to current final salary pension schemes
- A normal pension age of 60 for Police officers
- Improvements to public sector scheme governance arrangements
- That the reforms must be implemented by April 2015
- Protection against the reforms for scheme members close to retirement

These provisions of the Act must be applied to the main public service schemes in Scotland.

In March 2012 Kenny MacAskill, the Cabinet Secretary for Justice, commenced negotiations with police pension stakeholders to deliver a new Scottish police pension scheme from 1st April 2015. Those negotiations were required to deliver a new scheme that remained within the set financial cost limits and was a Career Average Revalued Earnings Scheme (CARE). The UK Government's Public Service Pensions Act subsequently required the scheme to have a normal pension age of 60.

Within the constraints that have had to be applied Scottish Ministers have done everything possible to explore options for reform which would help mitigate the impact of changes, particularly increased Normal Pension Age, on Scottish police officers. However the constraints have unavoidably restricted the opportunity to provide a Scottish specific scheme which means that the scheme design in Scotland will mirror the one being introduced for police officers in England and Wales.

Overall Police Pension Scheme design

- a pension scheme design based on career average revalued earnings;
- a provisional accrual rate of 1/55.3ths of pensionable earnings each year, subject to agreement on the outstanding issues set out in Annex B;
- there will be no cap on how much pension can be accrued;
- a revaluation rate of active members' benefits in line with the Consumer Prices Index (CPI) + 1.25%;
- pensions in payment and deferred benefits to increase in line with the Consumer Prices Index (CPI);

- average member contributions of 13.7%. Further discussions will be undertaken to set the actual rates that will be applied from April 2015. ;
- flexible retirement from the scheme's minimum pension age of 55, built around the scheme's Normal Pension Age of 60 – for all active members aged 55 or more at retirement, scheme benefits taken before Normal Pension Age will be actuarially reduced with reference to the scheme's Normal Pension Age, rather than the deferred pension age;
- the Normal Pension Age of 60 is set to reflect the requirements of the UK Government's Public Service Pensions Act. Occupational pensions policy is reserved so the requirements have to be applied to the police scheme in Scotland;
- late retirement factors for members retiring from active service to be actuarially neutral from Normal Pension Age;
- a deferred pension age equal to the individual's State Pension Age;
- optional lump sum by commutation at a rate of £12 for every £1 per annum of pension foregone in accordance with HMRC limits and regulations;
- the rules on abatement in existing schemes to continue;
- ill-health retirement benefits to be based on the arrangements in the 2006 scheme;
- all other ancillary benefits to be based on those contained in the 2006 scheme;
- members rejoining after a period of deferment of less than 5 years can link new service with previous service, as if they had always been an active member;
- members transferring between public service schemes would be treated as having continuous active service; and
- an employer cost cap and floor

Full details of the 2015 scheme are set out in the 2015 Police Scheme Framework document available on the [SPPA website](#).

ANNEX B

The new Scottish Police Pension Scheme design mirrors the provisions set out in the Home Office Consultation of 20 October for members of the Police force in England and Wales.

We would like to draw your attention to these areas where changes have been made:

1. Part 2 Establishment of the scheme

On scheme eligibility, the Scottish draft regulations reflect the single authority structure in Scotland. The scheme is designed to provide for members of the Police Service of Scotland eligible under section 6 of the Police and Fire Reform (Scotland) Act 2012.

References to Home Police Force and posts specific to England and Wales have therefore been removed.

2. Part 3 Governance

The Public Service Pension Act 2013 requires schemes to set up new governance arrangements through the creation of Scheme Pension Boards and Scheme Advisory Boards. Discussions have been on going to agree on how both will be set up and run from 1 April 2015. The draft regulations use a similar approach taken on other Scottish unfunded schemes which set out the necessary legislative requirements of the 2013 Act.

The definition of Scheme Manager reflects the various roles of Scottish Ministers under the governance regulations. In addition, where the scheme manager's duties apply to scheme administration we have left scheme manager in to describe the role delegated to the Scottish Public Pensions Agency.

3. Opting out

In line with other Scottish public service schemes the opt-out period for the initial period of eligible service has been extended to three months.

4. Regulation 27 Pensionable Earnings

This definition has been changed in line with the 2006 regulations.

Whilst there are other general changes that are made to reflect specific Scottish requirements it is hoped that setting out the key differences above will help in considering these regulations against those currently out for consultation from the Home Office.

Police Pension Schemes Comparison Table

Provision	2015 Scheme	1987 & 2006 Schemes
Governance	<p>A Scheme Advisory Board to advise Scottish Ministers on changes. A police pension board is established to assist the scheme manager.</p> <p>Greater role for the Pensions Regulator.</p>	Nothing specified
Membership	All current members of previous schemes to join the new scheme unless they are eligible for full protection or tapered protection. Eligibility is based on age and/or service. Tapered protection members will transfer to 2015 Scheme at the end of the tapered protection period.	1987 Scheme members were given the choice to move to the 2006 scheme.
Basis of pension	Career average revalued earnings (CARE). Based on 1/55.3 of the member's pensionable earnings for each year, plus revaluation adjustment. There is no maximum length of service or limit on benefits.	<p>1987 Scheme - Final salary. Based on 1/60 of member's earnings for first 20 years and 2/60 for each year of service after 20 years, for a maximum of 30 years</p> <p>2006 Scheme Based on 1/70 for each year of service to a maximum of 35 years</p>
Eligibility for membership	Subject to medical clearance, open to all new police officers and tapered protection members and transferees from other public service pension schemes (club transfers).	<p>The 1987 scheme is closed to new members.</p> <p>2006 scheme - Currently, subject to medical clearance, open to all new police officers; post 1/4/15 will be open to the final salary component of tapered protection members and individuals transferring from other public service pension schemes (club transfers)</p>
Normal retirement age	60. Member can retire from 55 with actuarial reduction.	<p>For 1987 Scheme on accruing 30 years' service, or from 50 with a minimum 25 years' service. Other pension ages are set by the members rank.</p> <p>2006 Scheme – age 55</p>

Deferred pension age	State pension age if member opts out before age 55.	1987 age 60 2006 Scheme: 65 if member opts out before age 55
Retirement lump sum	Only by commutation, at £12 lump for each £1 of pension sacrificed.	1987 scheme - only by commutation of up to ¼ of annual pension (at around £20 lump sum for each £1 of pension sacrificed, exact rates depend upon age at retirement). Lump sum is restricted to no more than 2¼ times the member's pension if retiring with less than 30 years' service or before the rank's normal retirement age. 2006 scheme - 4 x initial annual pension
Ill Health Retirement Benefits	Not possible once member reaches 60. Lower tier = 1/55.3 CARE for each year of service. Upper tier for 5+ years' service = half of prospective service to age 60.	1987 scheme - single tier of 1/60 of final pensionable pay for each year of service plus enhancements after 5 years (which can do as much as double pensionable service) up to a maximum pension of 40/60 of pensionable pay. 2007 scheme Two tiers. Upper tier paid where member not capable of regular work. Lump sums paid with both awards Not possible to claim once member reaches 55. Lower tier = 1/70 of final pensionable pay for each year of service (no enhancements). Upper tier for 5+ years' service enhancement = half of prospective service to age 55.
Average contribution rate	13.7% of pensionable earnings: (may be on a tiered basis subject to level of earnings).	1987 Scheme: Currently 14.25% to 15.05% 2006 scheme: Currently 11.0% to 12.75%
Death benefits	Pension payable to spouse or partner, for life. Lump sum death grant = 3 x final pay.	1987 scheme - Pension payable to spouse or civil partner but subject to withdrawal on remarriage or co-habitation. Lump sum death grant = 2 x pay, only payable to spouse or civil partner. 2006 scheme - Pension payable to spouse or partner for life. Lump sum

		death grant = 3 x pay which can be nominated to anyone
Purchasing additional benefits	Added pension: Limited to £6,500 per annum (limit may be altered by HMT). Additional voluntary contributions no longer available	1987 scheme - Additional 60ths + Additional Voluntary Contribution (AVC) scheme (now closed to new business) 2006 scheme - Added years only (no AVC Scheme).

2015 No.

PUBLIC SERVICE PENSIONS

The Scottish Police Pension Scheme Regulations 2015

Made - - - - - ***

Laid before the Scottish Parliament ***

Coming into force ***

CONTENTS

PART 1

Preliminary

1. Citation and commencement
2. Interpretation

PART 2

Establishment of scheme

3. Establishment and scope
4. Police pension authority

PART 3

Governance

5. Scheme manager
6. Establishment of pension board
7. Membership of pension board
8. Establishment of scheme advisory board
9. Membership of scheme advisory board
10. Conflict of interest

PART 4

Scheme membership

CHAPTER 1

Eligibility for active membership

11. Eligible service

CHAPTER 2

Eligibility for ill-health benefits

12. Application of Chapter

13. Determination by scheme manager
14. Medical examination by selected medical practitioner
15. Appeal against selected medical practitioner's report
16. Revised report by third registered medical practitioner

CHAPTER 3

Pensionable service

17. Application of Chapter
18. Interpretation of Chapter
19. Automatic enrolment
20. Opting into this scheme
21. When does an opt-in take effect
22. Automatic re-enrolment
23. Opting out of this scheme
24. Opting out before the end of the initial period of eligible service
25. Opting out after the initial period of eligible service
26. Gap in service

CHAPTER 4

Pensionable earnings

27. Pensionable earnings
28. Meaning of "assumed pay"
29. Pensionable service during period of assumed pay

CHAPTER 5

Deferred membership

30. Meaning of "deferred member"

PART 5

Pension accounts

CHAPTER 1

Preliminary

31. Descriptions of accrued pension
32. Descriptions of full retirement pension

CHAPTER 2

Calculation of adjustments

33. Calculation of "retirement index adjustment"
34. Determination of "the age addition"
35. Determination of "the assumed age addition"

CHAPTER 3

Calculation of accrued pension

36. Calculation of amount of accrued pension for purpose of deferment or retirement

CHAPTER 4

Pension accounts: general

37. Establishment of pension accounts: general
38. Closure and adjustment of pension accounts on transfer out

CHAPTER 5

Active member's account

39. Application of Chapter
40. Establishment of active member's account
41. Receipt of a transfer value payment
42. Receipt of a club transfer value payment
43. Amount of pension for a scheme year
44. Opening balance, index adjustment and age addition
45. Closure of active member's account

CHAPTER 6

Deferred member's account

46. Application of Chapter
47. Establishment of deferred member's account
48. Provisional amount of deferred pension
49. Adjustment of provisional amount
50. Closure of deferred member's account after gap in pensionable service not exceeding 5 years

CHAPTER 7

Retirement account

51. Establishment of retirement account
52. Amount of full retirement pension
53. Closure of retirement account

CHAPTER 8

Pension accounts for pension credit members

54. Establishment of pension credit member's account
55. Other pension accounts

PART 6

Retirement benefits

CHAPTER 1

General

56. Application of Part
57. Qualifying service

CHAPTER 2

Full retirement benefits

58. Entitlement to full retirement pension
59. Annual rate of full retirement pension (active members)
60. Annual rate of full retirement pension (deferred members)
61. Full retirement pension ceases to be payable

CHAPTER 3

Ill-health benefits

62. Entitlement to ill-health benefits
63. Compulsory retirement on the ground of permanent medical unfitness
64. Appeal to Scottish Ministers against decision contained in ill-health retirement report
65. Employer's agreement to ill-health retirement

- 66. Payment thresholds
- 67. Entitlement to immediate payment of ill-health pension
- 68. Annual rate of ill-health pension
- 69. Ill-health pension or deferred pension ceases to be payable
- 70. Reduction of pension in case of default
- 71. Deferment of accrued added pension attributable to recent payments

CHAPTER 4

Referral of medical questions

- 72. Permanent medical unfitness
- 73. Refusal to be medically examined
- 74. Reference to a board of duly qualified medical practitioners

CHAPTER 5

Review of ill-health benefits

- 75. Subsequent claim for payment of enhanced upper tier ill-health pension
- 76. Subsequent award of enhanced upper tier ill-health pension
- 77. Review of entitlement to lower tier ill-health pension
- 78. Cancellation of lower tier ill-health pension
- 79. Cancellation of lower tier ill-health pension: failure to receive appropriate medical treatment
- 80. Review and cancellation of enhanced upper tier ill-health pension
- 81. Review and cancellation of a deferred pension which came into payment early
- 82. Questions referred to selected medical practitioner for decision

CHAPTER 6

Medical appeals

- 83. Appeal against decision of selected medical practitioner
- 84. Reconsideration of final decision
- 85. Procedure and costs on appeals under regulation 72
- 86. Appeal board
- 87. Hearing the appeal
- 88. Written evidence or a written statement
- 89. Costs payable if hearing is cancelled, adjourned or postponed
- 90. Costs payable on decision
- 91. Refusal to be medically examined

CHAPTER 7

Appeals in relation to payment of benefits

- 92. Appeals to sheriff
- 93. Appeals to tribunal
- 94. Limitation on appeals to sheriff and tribunal

CHAPTER 8

Payment options

- 95. Options under this Chapter
- 96. Exercising an option under this Chapter
- 97. Option to buy out early payment reduction
- 98. Option to defer payment of retirement added pension
- 99. Option to commute part of pension
- 100. Option to commute whole of member's accrued pensions (serious ill-health)

PART 7

Benefits for pension credit members

101. Entitlement to pension credit member's pension
102. Claim for early payment
103. Annual rate of pension credit member's pension
104. Reduction in pension debit member's benefits
105. Pension credit member's rights
106. Option for pension credit member to commute part of pension
107. Option for pension credit member to commute whole pension (serious ill-health)

PART 8

Death benefits

CHAPTER 1

Pensions for surviving adults

108. Surviving adults
109. Meaning of "surviving adult partner"
110. Meaning of "surviving adult's pension"
111. Entitlement to surviving adult's pension
112. Annual rate of surviving adult's pensions payable on death of pensioner member
113. Annual rate of surviving adult's pensions payable on death of deferred member
114. Annual rate of surviving adult's pensions payable on death of active member
115. Reduction in pensions in cases of wide age disparity

CHAPTER 2

Pensions for eligible children

116. Meaning of "eligible child's pension"
117. Meaning of "eligible child"
118. Eligible child's pension
119. Annual rate of eligible child's pension

CHAPTER 3

Payment of pensions for surviving adults and eligible children

120. Payment of pensions under this Part
121. Suspension and recovery of pensions paid under this Part
122. Provisional awards of eligible child's pensions: later adjustments
123. Adjustment of benefits to comply with FA 2004 where members die over 75
124. Guaranteed minimum pensions for surviving spouses and civil partners

CHAPTER 4

Payment of lump sum death grants

125. Payment of lump sum death grant
126. Nominations for lump sum death grants
127. Invalid nominations of individuals
128. Recovery of payment if nomination found to be invalid
129. Payment of lump sum death grant
130. Members affected by court orders to former spouses and civil partners on death
131. Pension protection lump sum death benefit

- 132. Payment of pension instead of lump sum death grant for members who have reached 75

CHAPTER 5

Amount of lump sum death grant

- 133. Meaning of “final pay”
- 134. Meaning of “annualised final pay”
- 135. Amount of lump sum death grant payable on death of active member
- 136. Amount of lump sum death grant payable on death of pension credit member
- 137. Amount payable under court order to former spouse or civil partner

CHAPTER 6

Death gratuities

- 138. Application of Chapter
- 139. Death gratuities - dependants
- 140. Death gratuity – estate

CHAPTER 7

Prevention of duplication of benefits

- 141. Payment of one award only in respect of deceased member

PART 9

Contributions

- 142. Rate of member contributions
- 143. Amount of pensionable earnings
- 144. Payment of member contributions
- 145. Employer contributions
- 146. Deduction of payments for extra pension under Schedule 1
- 147. Refund of all member contributions and payments for extra pension made by the member

PART 10

Transfers

CHAPTER 1

Preliminary

- 148. Application of Part
- 149. Interpretation of Part

CHAPTER 2

Transfers out

- 150. Transfer payments made to other schemes or pension arrangements
- 151. Application for a statement of entitlement
- 152. Statement of entitlement
- 153. Request for transfer payment to be made
- 154. Calculating the amount of a transfer value or club transfer value
- 155. Effect of transfers out

CHAPTER 3

Transfers in

- 156. Application of Chapter

- 157. Interpretation of Chapter
- 158. Request for acceptance of a transfer payment
- 159. Transfer statement
- 160. Amount of transferred pension
- 161. Club transfer statement
- 162. Amount of club transfer earned pension

CHAPTER 4

Bulk transfers

- 163. Bulk transfers out
- 164. Bulk transfers in

CHAPTER 5

Miscellaneous transfers

- 165. EU and overseas transfers

PART 11

Actuarial valuations and employer cost cap

- 166. Appointment of scheme actuary and actuarial valuations
- 167. Employer cost cap

PART 12

Supplementary

CHAPTER 1

Dual capacity members

- 168. Meaning of “dual capacity member”
- 169. Payment of benefits to or in respect of a dual capacity member

CHAPTER 2

Payment of benefits: general

- 170. Late payment of retirement index adjustment
- 171. Commutation of small pensions
- 172. Guaranteed minimum pensions

CHAPTER 3

Forfeiture and set-off

- 173. Pension supervising authority
- 174. Forfeiture: offences committed by members
- 175. Forfeiture: offences committed by a member’s beneficiary
- 176. Forfeiture: relevant monetary obligations and relevant monetary losses
- 177. Set-off
- 178. Forfeiture and set-off: procedure and appeals

CHAPTER 4

Payment and deduction of tax

- 179. Scheme manager to be scheme administrator for purposes of Part 4 of Finance Act 2004
- 180. Payment on behalf of members of lifetime allowance charge
- 181. Reduction of benefits where lifetime allowance charge payable
- 182. Information about payment of annual allowance charge

183. Reduction of benefits where annual allowance charge paid by scheme manager

CHAPTER 5

General

184. General prohibition on unauthorised payments
185. Calculation of periods of membership and service
186. Determination of questions
187. Appeals to the scheme manager
188. Limitations on appeals
189. Evidence of entitlement
190. Provision of benefit information statements to members
191. Transitional provisions

SCHEDULE 1 — Payments for extra pension

PART 1 — General

PART 2 — Payments for added pension

PART 3 — Payments for unpaid leave

SCHEDULE 2 — Progressive medical conditions

SCHEDULE 3 — Transitional provisions

PART 1 — General

PART 2 — Exceptions for full protection members of the 1987 scheme

PART 3 — Exceptions for full protection members of the 2006 scheme

PART 4 — Exceptions for tapered protection members of the 1987 scheme

PART 5 — Exceptions for tapered protection members of the 2006 scheme

PART 6 — Payment of ill-health benefits to transition members with continuity of service

PART 7 — Payment of death benefits in respect of transition members with continuity of service

PART 8 — Transitional provisions relating to the existing police pension scheme

PART 9 — Miscellaneous transitional provisions

PART 10 — Transfer of final salary benefits

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 1(1) and (2)(g) of, and paragraph 7(b) of Schedule 2 to, the Public Service Pensions Act 2013(a) and all other powers enabling them to do so.

In accordance with section 21 of that Act, the Scottish Ministers consulted the representatives of such persons as appeared to the Scottish Ministers likely to be affected by these Regulations.

(a) 2013 c. 25.

PART 1

Preliminary

Citation and commencement

1. These Regulations may be cited as the Scottish Police Pension Scheme Regulations 2015 and come into force on 1st April 2015.

Interpretation

2. In these Regulations—

“the Act” means the Public Service Pensions Act 2013;

“FA 2004” means the Finance Act 2004(a);

“PA 1995” means the Pensions Act 1995(b);

“PIA 1971” means the Pensions (Increase) Act 1971(c);

“PSA 1993” means the Pension Schemes Act 1993(d);

“WRPA 1999” means the Welfare Reform and Pensions Act 1999(e);

“the 2013 Regulations” means the Police Service of Scotland Regulations 2013(f);

“1987 transition member” has the meaning given in Schedule 3;

“2006 transition member” has the meaning given in Schedule 3;

“accrued added pension” means—

(a) accrued added (self only) pension (if any); and

(b) accrued added (all beneficiaries) pension (if any);

“accrued club transfer earned pension”, for the purpose of calculating the amount of each description of full retirement pension or the provisional amount of any description of deferred pension, has the meaning given in regulation [](4);

“accrued earned pension” means—

(a) in relation to this scheme—

(i) accrued standard earned pension (if any); and

(ii) accrued club transfer earned pension (if any);

(b) in relation to another pension scheme or the existing police pension scheme, accrued rights to benefits under that scheme derived from—

(i) pension which is earned under that scheme; or

(ii) pension which is attributable to a transfer payment received by that scheme;

“accrued pension” means—

(a) accrued earned pension; and

(b) accrued added pension (if any);

“accrued rights”, in relation to benefits under this scheme, does not include a right to benefits attributable (directly or indirectly) to a pension credit;

(a) 2004 c. 12.
(b) 1995 c. 26.
(c) 1971 c. 56.
(d) 1993 c. 48.
(e) 1999 c. 30.
(f) S.S.I. 2013/35.

“accrued standard earned pension”, for the purpose of calculating the amount of each description of full retirement pension or the provisional amount of any description of deferred pension, has the meaning given in regulation [](2);

“active member”, in relation to this scheme, means a person who is in pensionable service(a) under this scheme;

“active member’s account” has the meaning given in regulation [](2);

“actuarial guidance” means guidance given by the Scottish Ministers after consultation with the scheme actuary;

“actuarial reduction”, in relation to reduction of pension payable to a member who has not reached normal pension age under this scheme(b), means a reduction determined by the scheme manager, having regard to actuarial guidance or actuarial tables;

“actuarial tables” means tables determined by the Scottish Ministers after consultation with the scheme actuary;

“added pension” means—

- (a) added (self only) pension (if any); and
- (b) added (all beneficiaries) pension (if any);

“added (all beneficiaries) pension” means added pension payable in respect of a member after the member has died;

“added pension payments” has the meaning given in Schedule 1;

“added (self only) pension” means added pension payable to a pensioner member;

“adoption leave” means—

- (a) for a person in service in the police force, leave taken in accordance with a determination under regulation 25(8)(c) of the 2013 Regulations; or
- (b) for any other person, any period of equivalent leave taken by the person;

“adoption support leave” means—

- (a) for a person in service the police force, leave taken in accordance with a determination under regulation 25(8)(d) of the 2013 Regulations; or
- (b) for any other person, any period of equivalent leave taken by the person;

“age addition” has the meaning given in regulation [19](3);

“amount of added pension”, in relation to a scheme year, means an amount calculated in accordance with regulation [](7);

“amount of credited pension” has the meaning given in regulation [](5);

“amount of earned pension”, in relation to a scheme year, means an amount calculated in accordance with regulation [](4);

“annualised final pay” has the meaning given in Chapter 5 of Part 8 (death benefits);

“annual allowance” has the meaning given in section 228 (annual allowance) of FA 2004(c);

“annual allowance charge” has the meaning given in section 227 (annual allowance charge) of FA 2004(d);

“annual rate”—

- (a) for each description of pension, has the meaning given in Part 6 (retirement benefits); and
- (b) in relation to pensionable earnings, means the amount of pensionable earnings payable for a scheme year;

(a) See section 37 of the Act for the meaning of “pensionable service”.

(b) See section 10(2) of the Act for the meaning of normal pension age under this scheme.

(c) Section 228 was substituted by the Finance Act 2011, Schedule 17, paragraph 4 and was amended by the Finance Act 2013, section 49.

(d) Section 227 was amended by the Finance Act 2009 (c. 10), Schedule 2, paragraphs 10 and 15 and the Finance Act 2011, Schedule 17, paragraph 3.

“another pension scheme” means—

(a) another occupational pension scheme that is a registered pension scheme but is not a connected scheme; or

(b) a personal pension scheme;

“appeal board” has the meaning given in Part 6 (retirement benefits);

“assumed age addition” has the meaning given in regulation [20](3);

“assumed pay” has the meaning given in regulation [](2);

“award” means an award under this scheme;

“the beginning date”, in relation to a pension not attributable (directly or indirectly) to a pension credit, means the date on which the pension is deemed to begin for the purpose of section 8(2) of PIA 1971(a);

“beneficiary”, in relation to a deceased member, means the surviving adult or eligible child of the member;

“closing date”, in relation to a transition member, has the meaning given in paragraph 1 of Schedule 3 (transitional provisions);

“club scheme” has the meaning given in Part 10 (transfers);

“club transfer” has the meaning given in Part 10;

“club transfer arrangements” has the meaning given in Part 10;

“club transfer earned pension” means pension attributable to receipt of a club transfer value payment;

“club transfer value” has the meaning given in Part 10;

“club transfer value payment” has the meaning given in Part 10;

“the commutation amount” means the amount of pension exchanged for a lump sum as a result of the exercise of the commutation option;

“commutation option” means the option to exchange part of a pension for a lump sum—

(a) exercisable under regulation [] (option to commute part of a pension) in relation to a full retirement pension or an ill-health pension; or

(b) exercisable under regulation [] (option for pension credit member to commute part of pension) in relation to a pension credit member’s pension;

“compensation scheme” means a scheme made under section 1(2)(g) of the Act providing for payment of redundancy compensation payments;

“connected scheme” means another statutory pension scheme that is connected, within the meaning of section 4(6) of the Act, with this scheme;

“continuity of service”, in relation to a transition member, has the meaning given in paragraph [] of Schedule 3;

“continuous period of pensionable service”, in relation to this scheme, means a period of pensionable service under this scheme disregarding any gap in pensionable service not exceeding 5 years (unless otherwise provided);

“contracted-out employment” has the meaning given in section 8(1) of PSA 1993;

“contributions equivalent premium” means a premium under section 55(2) of PSA 1993;

“death benefits” means benefits payable under Part 8 (death benefits);

“death gratuity” means a gratuity paid under Chapter 7 of Part 8 (death benefits);

“deferred member”, in relation to this scheme, has the meaning given in regulation [];

“deferred member’s account” has the meaning given in regulation [](2);

(a) See section 8(2) of that Act.

“description of accrued added pension” means—

- (a) accrued added (self only) pension; or
- (b) accrued added (all beneficiaries) pension;

“description of accrued pension” means accrued pension of a description mentioned in Chapter 1 of Part 5 (pension accounts);

“description of added pension” means—

- (a) added (self only) pension; or
- (b) added (all beneficiaries) pension;

“description of deferred pension” means—

- (a) deferred standard earned pension;
- (b) deferred club transfer earned pension;
- (c) deferred added (all beneficiaries) pension; or
- (d) deferred added (self only) pension;

“description of full retirement pension” means a full retirement pension of a description mentioned in Chapter 1 of Part 5 (pension accounts);

“description of pension” means—

- (a) standard earned pension;
- (b) transferred pension;
- (c) club transfer earned pension;
- (d) added (all beneficiaries) pension; or
- (e) added (self only) pension;

“dual capacity member” has the meaning given in regulation [];

“duly qualified medical practitioner” means a registered medical practitioner who holds the minimum qualification of Associate of the Faculty of Occupational Medicine or the equivalent EEA qualification;

“early payment reduction” means the actuarial reduction that is applied when calculating the annual rate of pension payable to—

- (a) an active member who becomes a pensioner member of this scheme before reaching normal pension age under this scheme;
- (b) a deferred member who becomes a pensioner member of this scheme before reaching the member’s state pension age;

“eligible child” has the meaning given in regulation [];

“eligible child’s pension” has the meaning given in regulation [];

“eligible service” has the meaning given in regulation [];

“employment” includes an office or appointment and related expressions are to be read accordingly;

“employer”, in relation to a member, means the police pension authority for that member acting in exercise of its functions as employer;

“enhanced upper tier ill-health pension” means a pension payable to a member who meets the upper tier threshold;

“the existing police pension scheme” has the meaning given in Schedule 3 (transitional provisions);

“final pay” has the meaning given in Chapter 5 of Part 8 (death benefits);

“full retirement pension” means—

- (a) a retirement earned pension; and
- (b) a retirement added pension (if any);

“guaranteed minimum” means the guaranteed minimum as defined in sections 14 and 17 of PSA 1993 (minimum pensions for earners, widows and widowers)—

- (a) as increased in accordance with the requirements of section 109 of that Act (annual increase of minimum pensions); and
- (b) if a reduction has been made under section 15A of that Act (reduction of guaranteed minimum in consequence of pension debit), as reduced in accordance with that section;

“guaranteed minimum pension” has the meaning given in section 8(2) of PSA 1993;

“ill-health pension” means—

- (a) for a transition member with continuity of service, a pension payable under Part 6 of Schedule 3 (transitional provisions);
- (b) otherwise, a lower tier ill-health pension and an enhanced upper tier ill-health pension (if applicable) payable under Part 6 (retirement benefits);

“ill-health retirement report” means a report by a selected medical practitioner containing the decision—

- (a) that a member of a police force is permanently medically unfit for performing the ordinary duties of a member of the police force; or
- (b) that the member is permanently medically unfit for engaging in any regular employment;

“index adjustment” means—

- (a) in relation to the opening balance of a description of pension other than club transfer earned pension for any scheme year, the change in prices in that scheme year^(a); and
- (b) in relation to the opening balance of club transfer earned pension for any scheme year, the in-service revaluation index that the sending scheme would have applied to the transferred pension for that scheme year, had it not been transferred;

“Injury Benefits Regulations” means—

- (a) the Police (Injury Benefit) (Scotland) Regulations 2007^(b); or
- (b) scheme regulations providing for payment of injury benefits to members of the police force;

“in-service revaluation index”, in relation to a pension scheme, means the percentage increase or decrease by which the pensionable earnings of a person, or a proportion of those earnings accrued as a pension, are revalued whilst the person is in pensionable service in that pension scheme;

“inspector of constabulary” means an inspector of constabulary or assistant inspector of constabulary appointed under section 71 or 72 of the Police and Fire Reform (Scotland) Act 2012;

“last active scheme year” means the scheme year in which an active member of this scheme ceases to be in pensionable service under this scheme;

“last day of pensionable service” means the last day of a continuous period of pensionable service under this scheme;

“late payment supplement”, in relation to the provisional amount of any description of deferred pension, means an additional amount of pension determined by the scheme manager (having regard to actuarial guidance or actuarial tables) to be appropriate if a deferred member of this scheme reaches the member’s state pension age before becoming entitled to the immediate payment of a full retirement pension;

“the leaving year” means the scheme year in which the last day of pensionable service falls;

(a) Under section 9 of the Act the change in prices to be applied in a period is the percentage increase or decrease as a Treasury order under that section may specify in relation to the period. Note: awaiting confirmation as to whether the plus 1.25% will be included in the Treasury order.

(b) S.S.I. 2007/68[].

“lower tier ill-health pension” means a pension payable to a member who meets the lower tier threshold;

“lower tier threshold”, in relation to entitlement to payment of an ill-health pension, has the meaning given in regulation [] (entitlement thresholds);

“lump sum death grant” means a lump sum paid under Chapter [] of Part 8 (death benefits) on the death of a member;

“maternity leave” means—

(a) for a person in service in the police force, leave taken in accordance with a determination under regulation 25(7) of the 2013 Regulations; or

(b) for any other person, any period of equivalent leave taken by the person;

“maternity support leave” means—

(a) for a person in service in the police force, leave taken in accordance with a determination under regulation 25(8)(a) of the 2013 Regulations; or

(b) for any other person in service, any period of equivalent leave;

“member”, in relation to this scheme, means an active member, deferred member, pensioner member or pension credit member of this scheme;

“member of the police force” includes a former member of the police force;

“member contributions” has the meaning given in Part 9 (contributions);

“normal minimum pension age” has the same meaning as in section 279(1) of FA 2004;

“occupational pension scheme” has the meaning given in section 1 of PSA 1993;

“opening balance”, in relation to a description of pension for a scheme year, has the meaning given in regulation [];

“ordinary duties of a member of the police force”, in relation to a former member of the police force, means the ordinary duties of a member of the police force;

“parental leave” means—

(a) for a person in service in the police force, leave taken in accordance with a determination under regulation 25(8)(b) of the 2013 Regulations; or

(b) for any other person, any period of equivalent leave taken by the person;

“part-time service” means service by a person appointed under regulation 3 of the 2013 Regulations;

“pay period” means the period in respect of which a payment of pensionable earnings is made;

“payments for extra pension” has the meaning given in regulation [];

“pension credit” has the meaning given in section 124(1) of PA 1995;

“pension credit member”, in relation to this scheme, means a person who has rights under this scheme which are attributable (directly or indirectly) to a pension credit under a pension sharing order following divorce or nullity of marriage;

“pension credit member’s account” has the meaning given in regulation [];

“pension credit member’s pension” means a pension payable under regulation [];

“pension debit” means a debit under section 29(1)(a) of WRPA 1999;

“pension debit member”, in relation to this scheme, means a person who is a member of this scheme whose benefits or future benefits under this scheme have been reduced under section 31 of WRPA 1999 (reduction under pension sharing order following divorce or nullity of marriage);

“pensionable earnings” has the meaning given in regulation [];

“pensioner member”, in relation to this scheme, means a person who is entitled to the immediate payment of a full retirement pension or ill-health pension under this scheme;

“pension sharing order” means any provision or order specified in section 28 of WRPA 1999;

“pension supervising authority” has the meaning given in regulation [173];

“period of assumed pay” has the meaning given in regulation [](1);

“permanently medically unfit”, in relation to a member, has the meaning given in regulation [];

“personal pension scheme” means a personal pension scheme as defined in section 1 of PSA 1993 that is a registered pension scheme;

“police force” means the Police Service of Scotland;

“police pension authority” has the meaning given in Part 2;

“a police pension scheme” means—

- (a) this scheme;
- (b) a scheme established under section 1 of the Act for payment of retirement pensions to or in respect of members of a police force in England and Wales; or
- (c) a scheme established under the Public Service Pensions Act (Northern Ireland) 2014(a) for payment of retirement pensions to or in respect of members of the police service in Northern Ireland;

“prospective normal pension age”, in relation to a member’s prospective entitlement to benefits under this scheme, means the normal pension age that the Scottish Ministers, by reference to the Treasury directions, determines would apply in relation to those benefits;

“protected member”, in relation to the existing police pension scheme, has the meaning given in Schedule 3;

“provisional amount”, in relation to any description of deferred pension, has the meaning given in regulation [](2);

“qualifying service” has the meaning given in regulation [];

“registered”, in relation to a pension scheme, means registered under Chapter 2 of Part 4 of FA 2004;

“regular employment” means employment for an annual average of at least 30 hours per week;

“relevant service” (except in the expression “relevant service in the reserve forces” means temporary service under section 15 of the Police and Fire Reform (Scotland) Act 2012;

“relevant service in the reserve forces” means service in pursuance of a training obligation under sections 38, 40 and 41 of the Reserve Forces Act 1980 or Part III of the Reserve Forces Act 1996 or by virtue of a call out for permanent service or a recall under the Reserve Forces Act 1980 of Part VII of the Reserve Forces Act 1996;

“reserve forces” means those forces specified in section 1(2) of the Reserve Forces Act 1996

“retirement account” has the meaning given in regulation [](3);

“retirement added pension” means—

- (a) retirement added (self only) pension (if any); and
- (b) retirement added (all beneficiaries) pension (if any);

“retirement benefits” means benefits payable under Part 6 (retirement benefits);

“retirement earned pension” means, in relation to this scheme—

- (a) retirement standard earned pension (if any); and
- (b) retirement club transfer earned pension (if any);

“retirement index adjustment”, in relation to an amount of accrued pension, has the meaning given in regulation [];

“retirement pension” means a full retirement pension or an ill-health pension;

“this scheme” means the scheme established by these Regulations;

(a) 2014 c. 2.

“scheme actuary” means the individual appointed by the Scottish Ministers under Part 11 (actuarial valuations and employer cost cap);

“scheme closing date” means 31st March 2015;

“scheme manager” has the meaning given in regulation [6];

“scheme year” means a period of one year beginning with 1st April and ending with 31st March;

“selected medical practitioner” means a duly qualified medical practitioner selected by the scheme manager to—

- (a) give an opinion on medical questions relating to eligibility for benefits on the ground of permanent medical unfitness; or
- (b) determine medical questions relating to entitlement to payment of benefits on the ground of permanent medical unfitness;

“sending scheme” has the meaning given in Part 10 (transfers);

“shared parental leave” means

“sick leave” means—

- (a) for a member of the police force, leave taken in accordance with a determination under regulation 25(5) of the 2013 Regulations; or
- (b) for any other person, any period of equivalent leave taken by the person;

“standard earned pension” means pension which is earned under this scheme and which is payable without actuarial reduction at normal pension age under this scheme;

“statutory pay” means statutory adoption pay, statutory maternity pay, ordinary statutory paternity pay or additional statutory paternity pay within the meaning of the Social Security Contributions and Benefits Act 1992(a);

“surviving adult”, in relation to a deceased member of this scheme, has the meaning given in regulation [];

“surviving adult’s pension” has the meaning given in regulation [];

“surviving civil partner” has the meaning given in regulation [];

“surviving nominated partner” has the meaning given in regulation [];

“surviving spouse” has the meaning given in regulation [];

“tax year” means a period of one year which is the period of assessment for income tax purposes;

“transfer club” has the meaning given in Part 10 (transfers);

“transfer payment” has the meaning given in Part 10 (transfers);

“transfer value” has the meaning given in Part 10 (transfers);

“transfer value payment” has the meaning given in Part 10 (transfers);

“transferred pension” means pension attributable to receipt of a transfer value payment;

“transition date” has the meaning given in Part 1 of Schedule 3;

“transition member” has the meaning given in Part 1 of Schedule 3;

“the Treasury directions” means directions made under section 11(2) of the Act;

“the Treasury order” means the Treasury order made under section 9(2) of the Act that specifies a percentage increase or decrease in prices;

“upper tier threshold”, in relation to entitlement to payment of an ill-health pension, has the meaning given in regulation [] (entitlement thresholds);

(a) 1992 c. 4.

“weekly rate”, in relation to a guaranteed minimum pension, has the same meaning as in regulation 55(1) of the Occupational Pension Schemes (Contracting-out) Regulations 1996(a); “whole of the member’s accrued pensions” means—

- (a) all the member’s accrued earned pension; and
- (b) all the member’s accrued added pension (if any).

PART 2

Establishment of scheme

Establishment and scope

3.—(1) A scheme is established for the payment of pensions and other benefits to or in respect of—

- (a) members of the Police Service of Scotland (including such members engaged in relevant service); and
- (b) inspectors of constabulary.

(2) For the purpose of these Regulations and except where otherwise stated, inspectors of constabulary are considered to be members of the police force.

Police pension authority

4. In these Regulations, “police pension authority” means—

- (a) for an inspector of constabulary, the Scottish Ministers;
- (b) for any other person, the Scottish Police Authority.

PART 3

Governance

Scheme manager

5.—(1) The Scottish Ministers are the scheme manager for this scheme and any connected scheme.

(2) The scheme manager is responsible for managing this scheme and any connected scheme.

(3) The scheme manager may delegate any functions under these Regulations, including this power to delegate.

Establishment of pension board

6.—(1) A pension board (“The Scottish Police Pension Board”) is established.

(2) The Scottish Police Pension Board is responsible for assisting the scheme manager in relation to securing compliance with—

- (a) these Regulations;
- (b) any other legislation relating to the governance and administration of this scheme and any statutory pension scheme that is connected with it; and

(a) S.I. 1996/[].

(c) any requirements imposed by the Pensions Regulator in relation to this scheme or any statutory pension scheme that is connected with it.

(3) The scheme manager is to determine the process by which the Scottish Police Pension Board discharges its functions.

Membership of pension board

7.—(1) Subject to paragraph (2), the scheme manager may determine—

- (a) the membership of the Scottish Police Pension Board;
- (b) the manner in which the Scottish Police Pension Board members may be appointed and removed; and
- (c) the terms of appointment of the Scottish Police Pension Board members.

(2) The Scottish Police Pension Board is to include equal numbers of members representing the employer and members.

Establishment of scheme advisory board

8.—(1) A scheme advisory board (“the Scottish Police Pension Scheme Advisory Board”) is established^(a).

(2) The Scottish Police Pension Scheme Advisory Board is responsible for providing advice to the scheme manager, at the scheme manager’s request, on the desirability of changes to the scheme.

(3) The scheme manager is to determine the process by which the Scottish Police Pension Scheme Advisory Board discharges its functions.

Membership of scheme advisory board

9. The scheme manager may determine—

- (a) the membership of the Scottish Police Pension Scheme Advisory Board;
- (b) the manner in which the members of the Scottish Police Pension Scheme Advisory Board may be appointed and removed; and
- (c) the terms of appointment of the members of the Scottish Police Pension Scheme Advisory Board.

Conflict of interest

10.—(1) The scheme manager must be satisfied that—

- (a) any person to be appointed as a member of the Scottish Police Pension Board does not have a conflict of interest within the meaning of section 5(5) of the Act;
- (b) any person to be appointed as a member of the Scottish Police Pension Scheme Advisory Board does not have a conflict of interest within the meaning of section 7(5) of the Act.

(2) The scheme manager must be satisfied from time to time that none of the members of the Scottish Police Pension Board or Scottish Police Pension Scheme Advisory Board has a conflict of interest.

(3) A person who is appointed as a member of a relevant Board must provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of paragraph (1)

(4) A person who is a member of a relevant Board must provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of paragraph (2).

(a) See section 7(6) of the Act for the meaning of “scheme advisory board”.

PART 4

Scheme membership

CHAPTER 1

Eligibility for active membership

Eligible service

- 11.**—(1) A member of the police force—
- (a) is in eligible service; and
 - (b) is eligible to be an active member of this scheme.
- (2) While a person is a protected member of the existing police pension scheme, the person—
- (a) is not in eligible service; and
 - (b) is not eligible to be an active member of this scheme.

CHAPTER 2

Eligibility for ill-health benefits

Application of Chapter

- 12.** This Chapter applies in relation to a person (P) who—
- (a) is appointed to the police force; or
 - (b) is in eligible service and opts under Chapter 3 (pensionable service) to become an active member of this scheme.

Determination by scheme manager

13.—(1) Before the person (P) joins this scheme, the scheme manager must determine whether the risk presented by P that P will retire on the ground of being permanently medically unfit is such that the likely cost of providing P with ill-health benefits under this scheme is disproportionately high.

(2) The likely cost of providing P with ill-health benefits is disproportionately high if it is more than 50% greater than the likely cost of providing ill-health benefits to a person who has not been identified as presenting a risk of retiring on the ground of being permanently medically unfit.

(3) The scheme manager may not determine that the likely cost of providing P with ill-health benefits under this scheme is disproportionately high unless the scheme manager has required P to submit to an examination by a selected medical practitioner.

(4) P is ineligible for ill-health benefits under this scheme if the scheme manager determines, having regard to the final medical report under this Chapter and advice from the scheme actuary, that the likely cost of providing P with ill-health benefits under this scheme is disproportionately high.

Medical examination by selected medical practitioner

14.—(1) A selected medical practitioner who examines a person (P) under regulation 25 (determination by scheme manager) must send a report (“the selected medical practitioner’s report”) to the scheme manager giving an opinion on the likelihood and likely timing of P becoming permanently medically unfit for performing the ordinary duties of a member of the police force.

- (2) A copy of the selected medical practitioner’s report must be given to P.

(3) Subject to an appeal under regulation 25 (appeals against decisions on eligibility for ill-health benefits) the selected medical practitioner's report is the final medical report under this Chapter.

Appeal against selected medical practitioner's report

15.—(1) P may appeal to the scheme manager against the selected medical practitioner's report if—

- (a) the scheme manager determines under regulation 23(1) that the likely cost of providing P with ill-health benefits under this scheme is disproportionately high ("the scheme manager's determination");
- (b) P is given notice of the scheme manager's determination; and
- (c) P is dissatisfied with the opinion in the selected medical practitioner's report on the likelihood or likely timing (or both) of P becoming permanently medically unfit for performing the ordinary duties of a member of the police force.

(2) An appeal is made under this regulation if—

- (a) within 28 days of receiving notice of the scheme manager's determination, P gives notice of intent to appeal; and
- (b) within 2 months (or such longer period as may be agreed by the scheme manager) of receiving notice of the scheme manager's determination, P provides the scheme manager with evidence that P has been examined by a registered medical practitioner ("the appellant's medical practitioner") who disagrees with the opinion in the selected medical practitioner's report.

(3) On an appeal under this regulation, the scheme manager must ask the selected medical practitioner—

- (a) to reconsider the selected medical practitioner's report in light of the evidence provided by P; and
- (b) if necessary, to produce a revised report on the likelihood and likely timing of P becoming permanently medically unfit for performing the ordinary duties of a member of the police force ("the selected medical practitioner's revised report").

(4) If P is satisfied with the opinion contained in the selected medical practitioner's revised report, that revised report is the final medical report under this Chapter.

Revised report by third registered medical practitioner

16.—(1) If P within 28 days of receiving the selected medical practitioner's revised report gives notice to the scheme manager that P is dissatisfied with the opinion contained in that report, the scheme manager must appoint a third registered medical practitioner to examine P.

(2) The third registered medical practitioner must be—

- (a) a person who is acceptable to both the selected medical practitioner and the appellant's medical practitioner; or
- (b) if the medical practitioners fail to agree, a person whom the scheme manager considers appropriate.

(3) The third registered medical practitioner must send the scheme manager and the appellant a written statement giving an opinion on the likelihood and likely timing of P becoming permanently medically unfit for performing the ordinary duties of a member of the police force.

(4) If the third registered medical practitioner disagrees with any part of the selected medical practitioner's revised report—

- (a) the third registered medical practitioner's written statement must be in the form of a revised report; and
- (b) that revised report is the final medical report under this Chapter.

CHAPTER 3

Pensionable service

Application of Chapter

17. This Chapter applies in relation to a continuous period of eligible service.

Interpretation of Chapter

18. In this Chapter—

“automatic re-enrolment date”, in relation to a person in eligible service, means a date determined under regulation 12 of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010(a); and

“continuous period of eligible service” means a period of eligible service disregarding any gap in service not exceeding 5 years.

Automatic enrolment

19.—(1) A person (P) who is not in pensionable service under this scheme immediately before P’s first day of eligible service begins pensionable service under this scheme on P’s first day of eligible service unless—

- (a) regulation [] (opting out before the end of one month) applies; or
- (b) P is a transition member with continuity of service and paragraph (3) applies.

(2) This paragraph applies if—

- (a) P’s first day of eligible service in the police force is the day after P’s closing date; and
- (b) on P’s closing date, P had opted out of the existing police pension scheme.

Opting into this scheme

20.—(1) A person in eligible service who is not in pensionable service under this scheme may opt to become an active member of this scheme in relation to that continuous period of eligible service.

(2) The option under this regulation may only be exercised by notice to the scheme manager in a form required by the scheme manager (“opt-in notice”).

(3) A person who exercises the option under this regulation in relation to a continuous period of eligible service opts into this scheme in relation to that service with effect from the date on which the opt-in notice is received by the scheme manager.

(4) The option under this regulation is taken to be exercised on the date on which the opt-in notice is received by the scheme manager.

(5) If P opts out of this scheme within 12 months after opting in, P may not opt in again until after the end of that period of 12 months.

When does an opt-in take effect

21. If P opts into this scheme in relation to a continuous period of eligible service, P becomes an active member of this scheme in relation to that service—

- (a) at the beginning of the first pay period beginning on or after the date on which the option is exercised; or

(a) S.I. 2010/772; regulation 12 was amended by S.I. 2012/215.

- (b) if the scheme manager considers that pay period inappropriate, at any other time the scheme manager considers appropriate.

Automatic re-enrolment

22.—(1) This regulation applies if, on the automatic re-enrolment date, a person in eligible service is not in pensionable service under this scheme.

(2) On the automatic re-enrolment date, the scheme manager must enrol P in this scheme if the employer is required under section 5 (automatic re-enrolment) of the Pensions Act 2008^(a) to make arrangements for P to be an active member of a pension scheme.

(3) For the purpose of paragraph (2), the employer is required to make arrangements under that section even if—

- (a) P has not reached the age of 22;
- (b) P has reached normal pension age under this scheme; or
- (c) the earnings requirements under that section are not met.

Opting out of this scheme

23.—(1) A person (P) opts out of this scheme in relation to a continuous period of eligible service if P opts not to be an active member of this scheme in relation to that service.

(2) P may only exercise the option under paragraph (1) by notice to the scheme manager in a form required by the scheme manager (“opt-out notice”).

(3) The option is taken to be exercised on the date on which the opt-out notice is received by the scheme manager.

Opting out before the end of the initial period of eligible service

24.—(1) This regulation applies if a person (P) opts out of this scheme in relation to a continuous period of eligible service—

- (a) before the end of 3 months after P’s first day of eligible service (or within any longer period the scheme manager considers appropriate); or
- (b) before the end of 3 months after the automatic re-enrolment date (or within any longer period the scheme manager considers appropriate).

(2) If paragraph (1)(a) applies, P is taken never to have been in pensionable service under this scheme in relation to that continuous period of eligible service.

(3) If paragraph (1)(b) applies, P is taken not to have been in pensionable service under this scheme during the period referred to in paragraph (1)(b).

(4) This regulation does not require the scheme manager to pay P any additional amount which becomes payable by P in respect of national insurance contributions because P has not after all been an active member of this scheme during any period.

Opting out after the initial period of eligible service

25.—(1) This regulation applies if a person (P) opts out of this scheme in relation to a continuous period of eligible service—

- (a) 3 months or more after P’s first day of eligible service; or
- (b) 3 months or more after P’s automatic re-enrolment date.

(2) If P exercises the option under paragraph (1)(a) or (b), P ceases to be in pensionable service under this scheme—

(a) 2008 c. 30. Section 5 was amended by the Pensions Act 2011 (c. 19) sections 4(2), (3) and (4), 5(3) and (4) and 6(3).

- (a) on the first day of the first pay period beginning on or after the date on which the option is exercised; or
- (b) if the scheme manager considers that day inappropriate, on the first day of any later pay period the scheme manager considers appropriate.

Gap in service

26. A member of this scheme is on a gap in service—

- (a) during any period of unpaid leave; and
- (b) during any period in which the member has opted out of this scheme.

CHAPTER 4

Pensionable earnings

Pensionable earnings

27.—(1) Subject to paragraph (2), for the purpose of calculating a member’s pension or other benefits under this scheme the pensionable earnings of a member of the police force are the officer’s pay at the rate to which the officer is or was then entitled, account being taken of any retrospective increase in that rate.

(2) During a period of part-time service, the pensionable earnings of a member of the police force are so much of the officer’s pay at the rate as is attributable to that officer’s determined hours specified under that officer’s part-time appointment.

Meaning of “assumed pay”

28.—(1) For the purpose of these Regulations, an active member of this scheme (P) receives assumed pay in respect of any period in which the circumstances in paragraph (3) apply (“period of assumed pay”).

(2) For the purpose of paragraph (1), “assumed pay” means the sum of—

- (a) an amount equal to the pensionable earnings that P would have received in respect of that period if those circumstances had not applied; and
- (b) any increase the scheme manager considers appropriate.

(3) The circumstances are—

- (a) P is on sick leave on reduced pay;
- (b) P is on paid adoption leave, paid maternity leave, paid parental leave, paid shared parental leave, paid maternity support leave or paid adoption support leave;
- (c) P is receiving statutory pay;
- (d) P is on secondment to a different employer under an arrangement providing for P to continue to be an active member of this scheme in relation to P’s service although P is paid for it by that employer;
- (e) P is absent from duty because of being called out, or recalled, for permanent service in Her Majesty’s armed forces in pursuance of a call-out notice served, or a call-out or recall order made, under the Reserve Forces Act 1996(a);
- (f) P is receiving pensionable earnings at a reduced rate in accordance with arrangements for members required by the scheme manager which apply where the members are entitled to—
 - (i) pension benefits under another occupational pension scheme; or
 - (ii) a payment under a compensation scheme; or

(a) 1996 c. 14.

(g) P voluntarily surrenders pensionable earnings in whole or in part.

(4) Paragraph (3)(e) does not apply to any period of permanent service during which P is in pensionable service in—

- (a) an existing scheme(a) that relates to the armed forces or another scheme under section 1 of the Act that relates to the armed forces; or
- (b) any other occupational pension scheme.

Pensionable service during period of assumed pay

29. A person receiving assumed pay under this scheme is in pensionable service under this scheme.

CHAPTER 5

Deferred membership

Meaning of “deferred member”

30.—(1) An active member becomes a deferred member of this scheme in relation to a continuous period of pensionable service under this scheme (“period of service”) if—

- (a) the member ceases pensionable service and does not become a pensioner member of this scheme in relation to that period of service; and
- (b) for a member who ceases pensionable service before reaching normal pension age under this scheme, the member has at least 2 years’ qualifying service or a transfer payment otherwise than from another occupational pension scheme has been received by this scheme in relation to the member.

(2) A pensioner member becomes a deferred member of this scheme in relation to an amount of accrued added pension if—

- (a) the member exercises the option under regulation [] (deferment of added pension attributable to recent payments); or
- (b) the member exercises the option under regulation [] (option to defer payment of retirement added pension).

PART 5

Pension accounts

CHAPTER 1

Preliminary

Descriptions of accrued pension

31. For the purpose of these Regulations, the descriptions of accrued pension are—

- (a) accrued standard earned pension;
- (b) accrued club transfer earned pension;
- (c) accrued added (all beneficiaries) pension; and
- (d) accrued added (self only) pension.

(a) See section 18(2) of the Act for the meaning of “existing scheme”.

Descriptions of full retirement pension

32. For the purpose of these Regulations, the descriptions of full retirement pension are—

- (a) retirement standard earned pension;
- (b) retirement club transfer earned pension;
- (c) retirement added (self only) pension; and
- (d) retirement added (all beneficiaries) pension.

CHAPTER 2

Calculation of adjustments

Calculation of “retirement index adjustment”

33.—(1) The retirement index adjustment for an amount of accrued pension is—

amount of accrued pension × retirement index percentage

where—

“amount of accrued pension” means an amount of any description of accrued pension; and

“retirement index percentage” means the retirement index percentage calculated under paragraph (2) for that description of accrued pension.

(2) The retirement index percentage is—

$$A \times \frac{B}{12}$$

where—

A means—

- (a) for accrued club transfer earned pension, the in-service revaluation index that applies in relation to the sending scheme for the leaving year; and
- (b) for any other description of accrued pension, the in-service revaluation index that applies in relation to this scheme for the leaving year;

B is the number of complete months in the period between the beginning of the leaving year and the end of the last day of pensionable service; and

“complete month” includes an incomplete month that consists of at least 16 days.

Determination of “the age addition”

34.—(1) This regulation applies in relation to every scheme year in which an active member’s account is open that is subsequent to the scheme year in which the member reaches normal pension age under this scheme, other than—

- (a) the scheme year in which the account is required to be established under this Part; and
- (b) the scheme year immediately following that.

(2) At the beginning of the scheme year, for each description of pension, the scheme manager having regard to actuarial guidance must determine the age addition to be awarded for that scheme year by reference to the opening balance of that description of pension for the previous scheme year.

(3) In these Regulations, “the age addition” means an additional amount of pension determined by reference to the proportion of the previous scheme year for which a member had reached normal pension age under this scheme.

Determination of “the assumed age addition”

35.—(1) This regulation applies if—

- (a) a deferred member’s account is established under this Part for a member who reached the member’s state pension age in the last year of pensionable service at least one month before the last day of pensionable service; or
 - (b) a retirement account is established under this Part for a member who reached normal pension age under this scheme in the last year of pensionable service at least one month before the last day of pensionable service.
- (2) For each description of accrued pension specified in the account, the scheme manager having regard to actuarial guidance must determine the assumed age addition to be awarded.
- (3) In these Regulations “the assumed age addition” means—
- (a) for an amount of accrued standard earned pension not attributable to a transferred pension, the age addition that would have been awarded for standard earned pension had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
 - (b) for an amount of accrued standard earned pension attributable to a transferred pension, the age addition that would have been awarded for transferred pension had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
 - (c) for an amount of accrued club transfer earned pension, the age addition that would have been awarded for club transfer earned pension had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
 - (d) for an amount of any description of accrued added pension, the age addition that would have been awarded for added pension of that description had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme.

CHAPTER 3

Calculation of accrued pension

Calculation of amount of accrued pension for purpose of deferment or retirement

36.—(1) For the purpose of calculating the amount of a description of full retirement pension or the provisional amount of a description of deferred pension, the amount of accrued pension is an amount calculated in accordance with this regulation.

(2) The amount of accrued club transfer earned pension is calculated separately in relation to each sending scheme.

(3) The amount of accrued standard earned pension is the total of the following amounts specified in the active member’s account at the end of the last day of pensionable service—

- (a) the sum of the opening balance of standard earned pension for the last active scheme year and the index adjustment for that opening balance;
- (b) the amount of standard earned pension for the last active scheme year;
- (c) the sum of the opening balance of transferred pension for the last active scheme year and the index adjustment for that opening balance; and
- (d) the amount of transferred pension for the last active scheme year.

(4) The amount of accrued club transfer earned pension is the total of the following amounts specified in the active member’s account at the end of the last day of pensionable service—

- (a) the sum of the opening balance of club transfer earned pension for the last active scheme year and the index adjustment for that opening balance; and

(b) the amount of club transfer earned pension for the last active scheme year.

(5) The amount of any description of accrued added pension is the total of the following amounts specified in the active member's account at the end of the last day of pensionable service—

(a) the sum of the opening balance of added pension of that description for the last active scheme year and the index adjustment for that opening balance; and

(b) the amount of accrued added pension of that description for the last active scheme year.

CHAPTER 4

Pension accounts: general

Establishment of pension accounts: general

37.—(1) The scheme manager must establish and maintain one or more pension accounts for each member of this scheme in accordance with this Part.

(2) A pension account—

(a) may be kept in any form the scheme manager considers appropriate; and

(b) must specify the details required by these Regulations.

(3) References in these Regulations to any amount specified in a pension account are references to the amount that is required by these Regulations to be so specified and not, if different, the amount actually so specified.

Closure and adjustment of pension accounts on transfer out

38.—(1) Except as otherwise provided in this regulation, the scheme manager must close all pension accounts relating to a member of this scheme if—

(a) a transfer payment is made in respect of all of the member's accrued rights under this scheme; or

(b) all member contributions and payments for extra pension made by the member are refunded to the member under Part 9 (contributions).

(2) Paragraph (1) does not require the scheme manager to close an account that includes amounts to which the transfer payment does not relate or is not attributable.

(3) An account that is not closed because of paragraph (2) must be adjusted as the scheme manager considers appropriate to reflect the extinguishment of rights under this scheme^(a).

(4) Paragraph (1)(a) does not require the scheme manager to close a pension credit member's account if the transfer payment is made in respect of the accrued rights of a member who is both—

(a) a pension credit member of this scheme; and

(b) an active member, deferred member or pensioner member of this scheme.

CHAPTER 5

Active member's account

Application of Chapter

39. This Chapter applies in relation to a continuous period of pensionable service under this scheme.

(a) Regulation 147 provides for extinguishment of rights following the refund of all members' contributions and payments for extra pension made by the member. Regulation 155 provides for extinguishment of rights following the making of a transfer value payment.

Establishment of active member's account

40.—(1) The scheme manager must establish a pension account for a member who is in pensionable service under this scheme from the day on which the member begins that pensionable service.

(2) For the purpose of these Regulations, an account established under paragraph (1) is called an active member's account.

Receipt of a transfer value payment

41.—(1) This regulation applies if a transfer value payment is received from another pension scheme (other than a connected scheme) in relation to an active member of this scheme.

(2) On receiving the transfer value payment, the scheme manager must credit the active member's account with the amount of transferred pension calculated under regulation [] (amount of transferred pension).

Receipt of a club transfer value payment

42.—(1) This regulation applies if a club transfer value payment is received from another club scheme in relation to an active member of this scheme.

(2) On receiving the club transfer value payment, the scheme manager must credit the active member's account, in relation to the sending scheme, with the amount of club transfer earned pension the member is entitled to count under regulation [] (amount of club transfer earned pension).

Amount of pension for a scheme year

43.—(1) This regulation applies in relation to every scheme year in which an active member's account is open.

(2) The active member's account must specify, in relation to each description of pension, the amount of that description of pension for the scheme year.

(3) The amount of club transfer earned pension for a scheme year must be specified separately in relation to each sending scheme.

(4) The amount of standard earned pension for a scheme year is $\frac{1}{55.3}$ of the member's pensionable earnings for that year^(a).

(5) The amount of transferred pension for a scheme year is the amount (if any) which the member is entitled to count under regulation [] (amount of transferred pension) for that year.

(6) The amount of club transfer earned pension for a scheme year is the amount (if any) which the member is entitled to count under regulation [] (amount of club transfer earned pension) for that year.

(7) The amount of added pension of any description for a scheme year is the amount (if any) credited to the active member's account in that scheme year under paragraph 13 or 14 of Schedule 1.

Opening balance, index adjustment and age addition

44.—(1) This regulation applies in relation to every scheme year in which an active member's account is open other than the scheme year in which that account is established.

(2) The active member's account must specify for each description of pension—

(a) Parts 3 and 4 of Schedule 1 contain further details on accrual of earned pension payable at an effective pension age or enhanced effective pension age.

- (a) the opening balance for the scheme year and the index adjustment for the opening balance; and
 - (b) if applicable, the age addition awarded at the beginning of the scheme year.
- (3) In these Regulations, “opening balance” in relation to a description of pension—
- (a) for the scheme year immediately following the scheme year in which the active member’s account is established, means the amount of that pension for the previous scheme year at the end of the previous scheme year; and
 - (b) for any subsequent scheme year, means the sum of the following amounts—
 - (i) the opening balance of that pension for the previous scheme year and the index adjustment for that opening balance;
 - (ii) the amount of that pension for the previous scheme year as at the end of the previous scheme year; and
 - (iii) if applicable, the age addition awarded at the beginning of the previous scheme year.

Closure of active member’s account

45.—(1) The scheme manager must close an active member’s account in relation to a period of service when the scheme manager establishes in relation to that period of service—

- (a) a deferred member’s account under Chapter 6; or
- (b) a retirement account under Chapter 7.

(2) The scheme manager must re-establish an active member’s account under this Chapter when the scheme manager closes—

- (a) a deferred member’s account under Chapter 6; or
- (b) a retirement account under Chapter 7.

CHAPTER 6

Deferred member’s account

Application of Chapter

46.—(1) This Chapter applies in relation to a continuous period of pensionable service under this scheme.

(2) For a person who is a deferred member of this scheme in relation to 2 or more continuous periods of pensionable service, this Chapter applies separately in relation to each of those periods of service.

Establishment of deferred member’s account

47.—(1) This regulation applies when an active member of this scheme becomes a deferred member of this scheme in relation to a continuous period of pensionable service.

(2) The scheme manager must—

- (a) close the active member’s account for that period of service; and
- (b) establish a pension account for the deferred member for that period of service.

(3) For the purpose of these Regulations, an account established under paragraph (2)(b) is called a deferred member’s account.

Provisional amount of deferred pension

48.—(1) The deferred member’s account must specify the provisional amount of each description of deferred pension.

(2) The provisional amount of each description of deferred pension is the sum of—

- (a) the amount of the relevant accrued pension calculated under regulation [] (“accrued amount”);
- (b) the retirement index adjustment for the accrued amount; and
- (c) the assumed age addition (if any) for the accrued amount.

(3) The retirement index adjustment is not applied in relation to an amount of accrued pension if a transfer payment was made before the end of the last active scheme year in respect of the member’s rights to that accrued pension.

(4) In this regulation, “relevant accrued pension” means—

- (a) for a deferred standard earned pension, accrued standard earned pension;
- (b) for a deferred club transfer earned pension, accrued club transfer earned pension;
- (c) for a deferred added (self only) pension, accrued added (self only) pension; and
- (d) for a deferred added (all beneficiaries) pension, accrued added (all beneficiaries) pension.

Adjustment of provisional amount

49.—(1) This regulation applies when a deferred member of this scheme in relation to a period of service becomes entitled to the immediate payment of a full retirement pension for that period of service.

(2) For the provisional amount of each description of deferred pension, the deferred member’s account must specify—

- (a) the late payment supplement (if any);
- (b) the early payment reduction (if any); and
- (c) the commutation amount (if any).

Closure of deferred member’s account after gap in pensionable service not exceeding 5 years

50.—(1) This regulation applies when a deferred member of this scheme in relation to a continuous period of pensionable service re-enters pensionable service under this scheme after a gap in pensionable service not exceeding 5 years.

(2) The scheme manager must—

- (a) close the deferred member’s account in relation to that period of service and treat the deferred member’s account as if it were never established;
- (b) re-establish the active member’s account under Chapter 5 in relation to that period of service; and
- (c) make entries in the active member’s account as if, during the gap in pensionable service, the member—
 - (i) was in pensionable service under this scheme; but
 - (ii) received no pensionable earnings.

CHAPTER 7

Retirement account

Establishment of retirement account

51.—(1) This regulation applies in relation to a continuous period of pensionable service under this scheme.

(2) When an active member of this scheme becomes entitled to the immediate payment of a full retirement pension or ill-health pension in relation to that period of service, the scheme manager must—

- (a) close the active member’s account for that period of service; and

(b) establish an account for the pensioner member for that period of service.

(3) For the purpose of these Regulations, an account established for a pensioner member under paragraph (1)(b) is called a retirement account.

Amount of full retirement pension

52.—(1) The retirement account must specify the amount of each description of full retirement pension.

(2) The amount of each description of full retirement pension is the sum of—

- (a) the amount of the relevant accrued pension calculated under regulation [] (“accrued amount”);
- (b) the retirement index adjustment for the accrued amount; and
- (c) the assumed age addition (if any) for the accrued amount.

(3) For each amount of a description of full retirement pension, the retirement account must specify—

- (a) the early payment reduction (if any); and
- (b) the commutation amount (if any).

(4) In this regulation, “relevant accrued pension” means—

- (a) for a retirement standard earned pension, accrued standard earned pension;
- (b) for a retirement club transfer earned pension, accrued club transfer earned pension;
- (c) for a retirement added (self only) pension, accrued added (self only) pension; and
- (d) for a retirement added (all beneficiaries) pension, accrued added (all beneficiaries) pension.

Closure of retirement account

53. The scheme manager must close a retirement account if—

- (a) a retirement earned pension ceases to be payable under regulation []; or
- (b) an ill-health pension ceases to be payable under regulation [] or [].

CHAPTER 8

Pension accounts for pension credit members

Establishment of pension credit member’s account

54.—(1) The scheme manager must establish a pension account for each pension credit member of this scheme (“the pension credit member’s account”).

(2) If a pension credit is derived from 2 or more pension debit members, the scheme manager must establish a pension credit member’s account in relation to each pension debit member.

(3) The pension credit member’s account must specify the amount of credited pension, and for that amount—

- (a) the early payment reduction (if any); and
- (b) the commutation amount (if any).

(4) On the establishment of the pension credit member’s account, the accounts established under this Part for the pension debit member must be reduced by the relevant amount.

(5) In this regulation—

“amount of credited pension” means an amount equal to the pension credit calculated in accordance with regulations made under paragraph 5(b) of Schedule 5 to WRPA 1999; and

“relevant amount” is the amount that the scheme manager, having regard to actuarial guidance, considers appropriate having regard to—

- (a) the cash equivalent that would have been payable under Chapter 2 of Part 4A (requirements relating to pension credit benefit: transfer values) of PSA 1993^(a) in respect of the pension credit member's right to benefits under this scheme attributable (directly or indirectly) to the pension credit; and
- (b) sections 29 (creation of pension credits and debits) and 31 (reduction of benefit) of WRPA 1999.

Other pension accounts

55. If a pension credit member of this scheme is also an active member, deferred member or pensioner member of this scheme, the scheme manager must establish a pension credit member's account in addition to any other account established for the member under this Part.

PART 6

Retirement benefits

CHAPTER 1

General

Application of Part

56. This Part applies in relation to retirement benefits payable in respect of a continuous period of pensionable service under this scheme ("period of service").

Qualifying service

57.—(1) In these Regulations, "qualifying service" means the total of—

- (a) any continuous period of pensionable service under this scheme;
- (b) if a transfer payment has been received by this scheme in respect of a member's accrued rights under another occupational pension scheme, the member's pensionable service under that scheme; and
- (c) for a transition member with continuity of service, the member's pensionable service under the existing police pension scheme before the transition date for that member.

(2) None of the following counts as qualifying service—

- (a) any pensionable service under this scheme in respect of which a person's rights under this scheme are extinguished^(b);
- (b) any pensionable service under the existing police pension scheme in respect of which a person's rights under that scheme are extinguished;
- (c) any unauthorised absence from eligible service.

CHAPTER 2

Full retirement benefits

Entitlement to full retirement pension

58.—(1) A member of this scheme (P) is entitled to the immediate payment for life of a retirement earned pension if—

(a) Part 4A was inserted by the Welfare Reform and Pensions Act 1999 (c. 30) section 37.
 (b) Regulation 147 provides for extinguishment of rights following the refund of all members' contributions and payments for extra pension made by the member. Regulation 155 provides for extinguishment of rights following the making of a transfer value payment.

- (a) P has reached normal minimum pension age;
 - (b) P has ceased to be in pensionable service under this scheme; and
 - (c) P has claimed payment of a full retirement pension.
- (2) P is not so entitled unless—
- (a) P has at least 2 years’ qualifying service; or
 - (b) a transfer payment otherwise than from another occupational pension scheme has been received by this scheme in relation to P.
- (3) On becoming entitled to the immediate payment for life of a retirement earned pension, P is entitled to the immediate payment for life of a retirement added pension of any description as follows—
- (a) for an active member who becomes a pensioner member, if the retirement account specifies an amount of retirement added pension of that description;
 - (b) for a deferred member who becomes a pensioner member, if the deferred member’s account specifies a provisional amount of the relevant deferred added pension.
- (4) The claim for payment of a full retirement pension may only be made by notice to the scheme manager in a form required by the scheme manager.
- (5) A claim for a full retirement pension to be paid before P reaches normal pension age under this scheme must state if P has opted to buy out the early payment reduction.
- (6) In this regulation, “relevant deferred added pension” means—
- (a) for a retirement added (self only) pension, a deferred added (self only) pension;
 - (b) for a retirement added (all beneficiaries) pension, a deferred added (all beneficiaries) pension.

Annual rate of full retirement pension (active members)

59.—(1) This regulation applies when an active member of this scheme becomes entitled to the immediate payment of a full retirement pension.

(2) The annual rate of any description of full retirement pension payable to the member is calculated by—

- (a) taking the amount of that description of full retirement pension specified in the retirement account;
- (b) subtracting the early payment reduction (if any) specified in that account in relation to that amount; and
- (c) subtracting the commutation amount (if any) specified in that account in relation to that amount.

(3) The annual rate of any description of full retirement pension is calculated without subtracting the early payment reduction if the member buys out the early payment reduction in relation to that description of full retirement pension.

Annual rate of full retirement pension (deferred members)

60.—(1) This regulation applies when a deferred member of this scheme becomes entitled to the immediate payment of a full retirement pension.

(2) The annual rate of any description of full retirement pension payable to the member is calculated by—

- (a) taking the provisional amount of the relevant description of deferred pension specified in the deferred member’s account;
- (b) adding the late payment supplement (if any) specified in that account in relation to that provisional amount;

- (c) subtracting the early payment reduction (if any) specified in that account in relation to that amount; and
- (d) subtracting the commutation amount (if any) specified in that account in relation to that amount.

(3) The annual rate of any description of full retirement pension is calculated without subtracting the early payment reduction if the member buys out the early payment reduction in relation to that description of full retirement pension.

(4) In this regulation, “the relevant description of deferred pension” means—

- (a) for a retirement standard earned pension, deferred standard earned pension;
- (b) for a retirement club transfer earned pension, deferred club transfer earned pension;
- (c) for a retirement added (self only) pension, deferred added (self only) pension; and
- (d) for a retirement added (all beneficiaries) pension, deferred added (all beneficiaries) pension.

Full retirement pension ceases to be payable

61.—(1) A full retirement pension ceases to be payable to a member who re-enters pensionable service under this scheme within 28 days after the last day of the service in relation to which the pension was payable.

(2) If paragraph (1) applies in relation to a member—

- (a) the scheme manager must—
 - (i) cease to pay the pension; and
 - (ii) recover any payment of pension or lump sum made;
- (b) the retirement account must be closed; and
- (c) the active member’s account must be re-established under Part 5 (pension accounts) and treated as if it had never been closed.

CHAPTER 3

Ill-health benefits

Entitlement to ill-health benefits

62.—(1) Except as otherwise provided in this Part, the scheme manager must determine the following questions—

- (a) whether a person is entitled to the immediate payment of any ill-health benefits under this scheme; and
- (b) if so, the benefits to which the person is entitled.

(2) If the employer requires the member to retire under regulation [] or agrees under regulation [] (employer’s agreement to ill-health retirement) that the member is entitled to retire on the ground of permanent medical unfitness for performing the ordinary duties of a member of the police force—

- (a) the scheme manager must determine if P meets the lower tier threshold or the upper tier threshold; and
- (b) P is entitled to the immediate payment of—
 - (i) an ill-health pension in accordance with regulation [] (entitlement to ill-health pension); and
 - (ii) any retirement added pension payable with it.

Compulsory retirement on the ground of permanent medical unfitness

63.—(1) Paragraph (2) applies if the selected medical practitioner gives an employer an ill-health retirement report in relation to an active member of this scheme containing the decision that the member is permanently medically unfit for performing the ordinary duties of a member of the police force.

(2) The employer, after considering all the relevant circumstances, advice and information available to the employer—

- (a) may require the member to retire on the grounds that the member is permanently medically unfit for performing the ordinary duties of a member of the police force; or
- (b) may determine that the member is to continue to serve as a member of the police force.

(3) If the member continues to serve as a member of the police force, the employer at any time in its discretion it determines may consider whether the member's medical unfitness for performing the ordinary duties of a member of the police force has ceased, significantly worsened or significantly improved.

(4) In considering these matters, the employer must refer the following questions to a selected medical practitioner for decision—

- (a) whether the member continues to be medically unfit for performing the ordinary duties of a member of the police force; and
- (b) if so, whether the member is also medically unfit for engaging in any regular employment.

(5) If the selected medical practitioner decides that the question mentioned in paragraph (4)(a) or (b) is answered in the affirmative, the selected medical practitioner does not need to consider the question as to the likelihood of that medical unfitness continuing permanently.

(6) The selected medical practitioner must give the employer an ill-health retirement report containing the decision.

(7) If after considering all the relevant circumstances, advice and information available to the employer, the employer considers the member's medical unfitness has significantly worsened and the employer determines that the member ought to retire, the employer must require the member to retire on the ground that the member is permanently medically unfit for performing the ordinary duties of a member of the police force.

Appeal to Scottish Ministers against decision contained in ill-health retirement report

64.—(1) See regulations [72] to [75] for appeals against the decision of a selected medical practitioner contained in an ill-health retirement report.

(2) The compulsory retirement of a member under this Chapter is void if, on an appeal against the decision of the selected medical practitioner contained in an ill-health retirement report, the appeal board decides that the appellant is not permanently medically unfit for performing the ordinary duties of a member of the police force.

Employer's agreement to ill-health retirement

65. An active member of this scheme may claim payment of an ill health pension if—

- (a) a selected medical practitioner gives the employer an ill-health retirement report containing the decision that the member is permanently medically unfit for engaging in any regular employment; and
- (b) the employer agrees that the member is [eligible][entitled] to retire on the ground of permanent medical unfitness for performing the ordinary duties of a member of the police force.

Payment thresholds

66.—(1) An active member of this scheme meets the lower tier threshold for payment of an ill-health pension (“lower tier threshold”) if the member is permanently medically unfit for performing the ordinary duties of a member of the police force.

(2) An active member of this scheme meets the upper tier threshold for payment of an ill-health pension (“upper tier threshold”) if the member is permanently medically unfit for engaging in any regular employment.

Entitlement to immediate payment of ill-health pension

67.—(1) An active member of this scheme who has not reached normal pension age under this scheme is entitled to the immediate payment of an ill-health pension under this scheme if the conditions in paragraph (2) are met.

(2) The conditions are—

- (a) the selected medical practitioner gives the employer an ill-health retirement report containing the decision—
 - (i) that the member is permanently medically unfit for performing the ordinary duties of a member of the police force; or
 - (ii) that the member is permanently medically unfit for engaging in any regular employment;
- (b) the member has at least 2 years’ qualifying service;
- (c) the scheme manager did not determine under Chapter 2 of Part 4 that the member is ineligible for ill-health benefits under this scheme; and
- (d) paragraph (3) applies.

(3) This paragraph applies if—

- (a) the employer requires the member to retire under regulation []; or
- (b) the member claims payment of an ill-health pension under regulation [] and the employer agrees under that regulation that the member is entitled to retire on grounds of permanent medical unfitness.

(4) An ill-health pension is payable as follows—

- (a) if the member meets the lower tier threshold, a lower tier ill-health pension is payable in respect of the member’s continuous period of pensionable service;
- (b) if the member meets the upper tier threshold—
 - (i) a lower tier ill-health pension is payable in respect of the member’s continuous period of pensionable service; and
 - (ii) an enhanced upper tier ill-health pension calculated under this Chapter is payable.

(5) A retirement added pension of any description is payable with a lower tier ill-health pension if the retirement account specifies an amount of retirement added pension of that description.

Annual rate of ill-health pension

68.—(1) The annual rate of ill-health pension is calculated as follows.

(2) The annual rate of a lower tier ill-health pension is calculated in the same way as the annual rate of retirement earned pension(a) is calculated under regulation [] (active members), but without subtracting the early payment reduction.

(a) Regulation [] provides for the calculation of an amount of accrued earned pension. This amount forms the basis for determining the amount of retirement earned pension under regulation []. The annual rate of retirement earned pension in relation to active members is calculated under regulation [].

(3) The annual rate of any retirement added pension payable with a lower tier ill-health pension is calculated in the same way as it is calculated under regulation [] (active members), but without subtracting the early payment reduction.

(4) The annual rate of an enhanced upper tier ill-health pension payable to a member whose period of service is less than 5 years is the lesser of—

(a) *accrued earned pension* × 3; and

(b) $\frac{\textit{final pay}}{55.3} \times \frac{\textit{assumed period of pensionable service}}{2}$

where—

“accrued earned pension” means—

(a) for a 2006 transition member with continuity of service, the total amount of accrued earned pension under both this scheme and the existing police pension scheme which is not attributable to a transfer payment; or

(b) for any other member, the amount of accrued earned pension not attributable to a transfer payment;

“assumed period of pensionable service” means the period (expressed in years)—

(a) beginning with the day after the member’s period of service ceased; and

(b) ending with—

(i) for a member employed for a fixed term, the day on which that term ends; or

(ii) for a member otherwise employed, the day before the day on which the member will reach prospective normal pension age (assuming that the member lives until that age);

“final pay” has the meaning given in Chapter 5 of Part 8 (death benefits); and

“period of service” means—

(a) for a 2006 transition member with continuity of service—

(i) the member’s continuous period of pensionable service under this scheme; and

(ii) the member’s pensionable service under the 2006 scheme before the member’s transition date; or

(b) for any other member, the member’s continuous period of pensionable service under this scheme.

(5) The annual rate of an enhanced upper tier ill-health pension payable to a member whose period of service is 5 years or more is—

$\frac{\textit{final pay}}{55.3} \times \frac{\textit{assumed period of pensionable service}}{2}$

where—

“assumed period of pensionable service” has the same meaning as in paragraph (4);

“final pay” has the meaning given in Chapter 5 of Part 8 (death benefits); and

“period of service” has the same meaning as in paragraph (4).

Ill-health pension or deferred pension ceases to be payable

69. An ill-health pension or a deferred pension which came into payment early on the ground of permanent medical unfitness for engaging in any regular employment^(a) ceases to be payable to a former member of the police force if—

(a) A deferred pension can be taken before state pension age without actuarial reduction if the member is permanently medically unfit for any regular employment. P must meet all ill health criteria.

- (a) the member ceases to be permanently medically unfit for performing the ordinary duties of a member of the police force; or
- (b) the member has been given notice under regulation [] that P may rejoin the police force.

Reduction of pension in case of default

70.—(1) This regulation applies in relation to the following members—

- (a) an active member of this scheme who becomes entitled to immediate payment of an ill-health pension;
- (b) a deferred member of this scheme who, on the ground of permanent medical unfitness for engaging in any regular employment, becomes entitled to immediate payment of a full retirement pension before the member reaches the member’s state pension age.

(2) If the scheme manager is of the opinion that the member has become medically unfit by the member’s own default, the scheme manager may reduce the amount of pension payable to the member by an amount not exceeding a half of that to which the member would otherwise be entitled(a).

(3) The scheme manager may not reduce a pension under this regulation—

- (a) in respect of a member mentioned in paragraph (1)(a), after the member has reached normal minimum pension age; or
- (b) in respect of a member mentioned in paragraph (1)(b), after the member has reached the member’s state pension age.

(4) If the scheme manager reduces a pension in respect of a member mentioned in paragraph (1)(b), when the member reaches the member’s state pension age the scheme manager may increase the pension to the annual rate of pension that the member would have been entitled had the member ceased pensionable service on reaching that age.

(5) For the purpose of these Regulations, a member becomes medically unfit by the member’s own default if, in the opinion of the scheme manager, the member has brought about, or has substantially contributed to, the member’s medical unfitness.

Deferment of accrued added pension attributable to recent payments

71.—(1) This regulation applies in relation to a deferred member of this scheme—

- (a) who is entitled to immediate payment of an ill-health pension; and
- (b) whose active member’s account at the end of the last day of pensionable service specifies an amount of accrued added pension that is attributable in whole or in part to a lump sum payment for added pension made under Schedule 1 within the 12 months before the relevant day.

(2) The member becomes a deferred member of this scheme in respect of that amount of accrued added pension and accordingly—

- (a) a deferred member’s account must be established under Part 5 (pension accounts);
- (b) that amount of accrued added pension must be specified in the deferred member’s account as the provisional amount of the relevant description of deferred added pension; and
- (c) that amount of accrued added pension is not included in the calculation of the annual rate of retirement added pension payable with the lower tier ill-health pension.

(3) In paragraph (1), “the relevant day” means—

- (a) the day on which the member’s employer first asked the selected medical practitioner for the decision mentioned in regulation [](2) by virtue of which the member is entitled to immediate payment of the ill-health pension; or

(a) See appeals to Crown Court or Scottish Ministers for default.

- (b) if the member was on sick leave on that day and did not return to service from that leave, the day on which that leave began.

CHAPTER 4

Referral of medical questions

Permanent medical unfitness

72.—(1) Where the employer is considering for the purposes of these Regulations whether a person is permanently medically unfit for performing the ordinary duties of a member of the police force, the employer must refer the following questions to a selected medical practitioner for decision—

- (a) whether the person is permanently medically unfit for performing the ordinary duties of a member of the police force;
- (b) whether the person is permanently medically unfit for engaging in any regular employment.

(2) The selected medical practitioner may decide that a member is permanently medically unfit for performing the ordinary duties of a member of the police force if the selected medical practitioner is of the opinion that—

- (a) the member is incapable of performing those duties but the member is capable of engaging in regular employment otherwise than as a member of the police force; and
- (b) the medical unfitness will continue until the member reaches prospective normal pension age.

(3) The selected medical practitioner may decide that a member is permanently medically unfit for engaging in any regular employment if the selected medical practitioner is of the opinion that—

- (a) the member is incapable of performing the ordinary duties of a member of the police force and is incapable of engaging in any other regular employment; and
- (b) the medical unfitness will continue until the member reaches prospective normal pension age.

(4) For the purpose of this regulation, P is taken to receive normal appropriate medical treatment.

(5) In this regulation, “appropriate medical treatment” does not include medical treatment that the scheme manager decides is reasonable for that person to refuse^(a).

Refusal to be medically examined

73. An employer may make a determination under this Chapter on such evidence and medical advice as the employer thinks necessary if—

- (a) the employer refers a question relating to a person’s medical unfitness to a selected medical practitioner for decision; and
- (b) the person wilfully or negligently fails to submit to any medical examination or to attend any interviews that the selected medical practitioner considers necessary in order to make a decision.

Reference to a board of duly qualified medical practitioners

74.—(1) The employer may decide to refer a question under this Chapter to a board of duly qualified medical practitioners instead of to a selected medical practitioner.

(a) See provisions on appeals.

(2) If paragraph (1) applies, references in this Chapter and in regulations [72] (appeal to board of medical referees), [73(4)] (further reference to medical authority) and [74(7)] (procedure and costs on appeals under regulation [72]) to a selected medical practitioner must be construed as if they were references to such a board.

(3) See regulations [72] to [75] for appeals against the decision of a selected medical practitioner contained in an ill-health retirement report.

CHAPTER 5

Review of ill-health benefits

Subsequent claim for payment of enhanced upper tier ill-health pension

75.—(1) This regulation applies if a member of this scheme (P) who is receiving payment of a lower tier ill-health pension only subsequently claims payment of an enhanced upper tier ill-health pension.

(2) The employer must carry out a review as to whether P's condition has significantly worsened.

(3) P is entitled to immediate payment of an enhanced upper tier ill-health pension in addition to the lower tier ill-health pension if—

- (a) the employer, after carrying out a review, determines that P is medically unfit for engaging in any regular employment; and
- (b) paragraph (4) applies.

(4) This paragraph applies if—

- (a) P claimed payment of the enhanced upper tier ill-health pension within the period of 5 years after the lower tier ill-health pension became payable; or
- (b) P's retirement on the ground of medical unfitness for performing the ordinary duties of a member of the police force was due to a degenerative medical condition specified on a list published by the Scottish Ministers.

(5) An enhanced upper tier ill-health pension is payable under this regulation from the day on which P claimed payment of it.

Subsequent award of enhanced upper tier ill-health pension

76.—(1) If following a review the employer considers that P's medical unfitness has worsened to the extent that P is medically unfit for engaging in any regular employment, P becomes entitled to immediate payment of an enhanced upper tier ill-health pension, calculated in accordance with [regulation 31] and payable in accordance with this regulation.

(2) The enhanced upper tier ill-health pension becomes payable from the date on which—

- (a) the scheme manager was notified that P's medical unfitness had worsened; or
- (b) in the absence of such notification, the scheme manager referred the matter to a selected medical practitioner under [regulation 71] for decision.

(3) A notification under paragraph (2)(a) must be made within the period of 5 years beginning with the date on which P became entitled to receive immediate payment of the lower tier ill-health pension.

(4) That time limit does not apply if P's medical unfitness is attributable to a progressive medical condition specified in Schedule 2 which, of its nature, could have been expected, as at the time of P's retirement, to affect P with increasing severity.

Review of entitlement to lower tier ill-health pension

77.—(1) This regulation applies in relation to a person (P) who—

- (a) is receiving payment of a lower tier ill-health pension only; and

(b) has not reached normal pension age under this scheme.

(2) The employer may periodically review whether P's medical unfitness has ceased, significantly worsened or significantly improved.

(3) A review may be carried out at any time the employer chooses but not after the member reaches normal pension age under this scheme.

Cancellation of lower tier ill-health pension

78.—(1) If following a review the employer determines that P has ceased to meet the lower tier threshold, the employer may give P notice that P may rejoin the police force—

- (a) within the period of 3 months beginning with the date on which P is given the notice; and
- (b) at a rank not lower than the rank which P held immediately before the ill-health pension became payable.

(2) The lower tier ill-health pension ceases to be payable to P on the earlier of—

- (a) the last day of the 3 month period; or
- (b) the day on which P rejoins the police force.

(3) If an ill-health pension ceases to be payable under paragraph (2)(a), but P is not entitled to a deferred pension under [regulation 32] because P has less than 2 years qualifying service, the employer must pay the difference to P if the aggregate of the following is less than P's aggregate pension contributions in respect of the relevant period of service—

- (a) the sums paid in respect of the pension; and
- (b) the actuarial value, determined in accordance with tables prepared by the scheme actuary, of any pension to which P is entitled under [regulation 43 (guaranteed minimum pension for the purposes of PSA 1993)].

Cancellation of lower tier ill-health pension: failure to receive appropriate medical treatment

79.—(1) This regulation applies in relation to a person (P) who has not reached normal pension age under this scheme and who is receiving payment of a lower tier ill-health pension if following a review the employer considers—

- (a) that P's medical unfitness for performing the ordinary duties of a member of the police force would be expected to have ceased if P had received normal appropriate medical treatment (and in this sub-paragraph "appropriate medical treatment" does not include medical treatment that it is reasonable in the opinion of the employer for that person to refuse);
- (b) that P is not receiving, or has not received, appropriate medical treatment;
- (c) that P's failure to receive appropriate medical treatment is attributable to P's wilfulness or negligence; and
- (d) that P has persisted in that failure after receiving both—
 - (i) a written notice from the selected medical practitioner stating the opinion that sub-paragraphs (a) and (b) apply in P's case; and
 - (ii) written notice from the employer stating the opinion that sub-paragraph (c) applies in P's case and giving notice of the employer's powers under paragraph (2).

(2) If P wilfully or negligently persists in the failure to receive appropriate medical treatment, the employer may cease payment of the lower tier ill-health pension.

Review and cancellation of enhanced upper tier ill-health pension

80.—(1) This regulation applies in relation to a person (P) who—

- (a) is receiving payment of an enhanced upper tier ill-health pension; and

(b) has not reached P's state pension age.

(2) The employer may periodically review whether the person's medical unfitness has ceased, significantly worsened or significantly improved.

(3) A review may be carried out at intervals of no less than 5 years as determined by the employer, but not after P reaches P's state pension age.

(4) If following a review the employer considers that P has ceased to meet the upper tier threshold—

(a) P ceases to be entitled to immediate payment of the enhanced upper tier ill-health pension (unless the employer has given notice to P under regulation []); but

(b) P remains entitled to immediate payment of a lower tier ill-health pension.

(5) P ceases to be entitled to immediate payment of an enhanced upper tier ill-health pension—

(a) at the end of the period of 3 months beginning with the date on which the [selected medical practitioner], after carrying out a review, decides that P is no longer medically unfit for engaging in any regular employment; or

(b) if earlier, the day on which P returns to eligible service.

Review and cancellation of a deferred pension which came into payment early

81.—(1) This regulation applies in relation to a person (P) who—

(a) is receiving payment of a deferred pension which came into payment early on the ground of permanent medical unfitness for engaging in any regular employment; and

(b) has not reached P's state pension age.

(2) The employer may periodically review whether P's medical unfitness has ceased, significantly worsened or significantly improved.

(3) A review may be carried out at intervals of no less than 5 years as determined by the scheme manager, but not after P reaches P's state pension age.

(4) If following a review the employer considers that P has ceased to meet the upper tier threshold, the employer must cease to make early payments of the deferred pension from the beginning of the next pay period.

Questions referred to selected medical practitioner for decision

82.—(1) This regulation applies following a review under this Chapter.

(2) Where the employer is considering whether the medical unfitness of a person in receipt of a lower tier ill-health pension has ceased, significantly worsened or significantly improved, the employer must refer the following questions to a selected medical practitioner for decision—

(a) whether the person continues to be medically unfit for performing the ordinary duties of a member of the police force; and

(b) if so, whether—

(i) the person is also medically unfit for engaging in any regular employment; and

(ii) that medical unfitness is likely to continue until the person reaches prospective normal pension age.

(3) Where the employer is considering whether the medical unfitness of a person in receipt of an enhanced upper tier ill-health pension or a deferred pension which came into payment early on the ground of permanent medical unfitness for engaging in any regular employment has ceased or significantly improved, the employer must refer the following questions to a selected medical practitioner for decision—

(a) whether the person continues to be medically unfit for engaging in any regular employment; and

(b) if not, whether the person continues to be medically unfit for the performance of the ordinary duties of a member of the police force.

(4) If the selected medical practitioner decides that the question mentioned in paragraph (2)(a) or either of the questions mentioned in paragraph (3) is answered in the affirmative, the selected medical practitioner does not need to consider the question as to the likelihood of that medical unfitness continuing permanently.

(5) Where the employer is considering the exercise of powers under regulation [53] (reduction of pension in case of default), the employer must refer the question whether the person has brought about or substantially contributed to the medical unfitness by the person's own default to a selected medical practitioner for decision.

(6) The employer may decide to refer a question under this regulation to a board of duly qualified medical practitioners instead of to a selected medical practitioner.

(7) If paragraph (6) applies, references in this regulation and in regulations [72] (appeal to board of medical referees), [73(4)] (further reference to medical authority) and [74(7)] (procedure and costs on appeals under regulation 72) to a selected medical practitioner must be construed as if they were references to such a board.

(8) The decision of a selected medical practitioner on a question referred under this regulation must take the form of a report.

(9) Subject to regulations [72] (appeal to board of medical referees) and [73] (further reference to medical authority), that report is final.

(10) If, in relation to a question under paragraph (2) or (3), the selected medical practitioner is of the opinion that sub-paragraphs (a) and (b) of regulation [51(7)] apply to the person (refusal of appropriate medical treatment), the selected medical practitioner must—

(a) give written notice of that opinion to the person in accordance with regulation [51(7)(d)(i)]; and

(b) give the employer a report containing that opinion.

(11) The selected medical practitioner's opinion under paragraph (10) on a question must be treated as if it were a decision on the question.

(12) A copy of a report under paragraph (10) must be supplied to the person who is the subject of that report.

CHAPTER 6

Medical appeals

Appeal against decision of selected medical practitioner

83.—(1) This regulation applies if a person is dissatisfied with the decision of the selected medical practitioner contained in a report under regulation [71] (reference of medical questions - permanent medical unfitness).

(2) Within 28 days after receiving a copy of the report (or such longer period as the employer may allow), the person may give notice of appeal to the employer against the decision in accordance with regulation [74] (procedure and costs on appeals under regulation 72).

(3) An appeal under this regulation is to be held in accordance with regulation [74] (procedure and costs on appeals under regulation 72).

(4) Paragraph (5) applies if, within a further 28 days of the notice of appeal being received (or such longer period as the employer may allow), the person gives the employer a statement of the grounds of appeal.

(5) The employer must, unless the person and the employer agree to a further reference to a selected medical practitioner under regulation [73(1)] (further reference to medical authority), refer the appeal to a board of medical referees ("the appeal board") appointed in accordance with arrangements approved by the employer for decision.

(6) The decision of the appeal board, if it disagrees with any part of the report of the selected medical practitioner—

- (a) must be expressed in the form of a report; and
- (b) subject to regulation [73] (further reference to medical authority), that report is final.

Reconsideration of final decision

84.—(1) This paragraph applies if a medical authority has given a final decision in relation to a person (“the claimant”).

(2) For the purpose of paragraph (1), a medical authority has given a final decision if—

- (a) the selected medical practitioner has given a decision and the time for appeal from the decision has expired without an appeal to an appeal board being made;
- (b) the selected medical practitioner has given a decision and, following a notice of appeal to the employer, the employer has not yet referred the appeal to an appeal board; or
- (c) an appeal has been made to an appeal board and the appeal board has given a decision.

(3) The employer and the claimant may, by agreement, refer the final decision to the medical authority for reconsideration.

(4) The medical authority must reconsider the final decision and, if necessary, issue a fresh report.

(5) The fresh report is final, subject to—

- (a) any further reconsideration under this regulation; or
- (b) any appeal—
 - (i) in respect of which the claimant gave notice before the decision was referred under this regulation; and
 - (ii) that the claimant requested be referred to an appeal board.

(6) If a court hearing an appeal under regulation [66] (appeal by member of the police force) or a tribunal hearing an appeal under regulation [67] (appeal by inspector etc) considers that the evidence before the medical authority which gave the final decision was inaccurate or inadequate—

- (a) the court or tribunal may refer the decision to the medical authority for reconsideration in the light of such facts as the court or tribunal may direct; and
- (b) the medical authority must reconsider that decision and, if necessary, issue a fresh report.

(7) Subject to any further reconsideration under this regulation, that report is final.

(8) If a decision is referred to a medical authority for reconsideration under this regulation and the medical authority is unable or unwilling to act, the decision may be referred to an appointed medical practitioner.

(9) The decision of an appointed medical practitioner has effect as if it were that of the medical authority who gave the decision which is to be reconsidered.

(10) In this regulation, “appointed medical practitioner” means a duly qualified medical practitioner or a board of duly qualified medical practitioners—

- (a) [agreed by][acceptable to] the claimant and the employer; or
- (b) appointed by the court or tribunal.

Procedure and costs on appeals under regulation 72

85.—(1) A notice of appeal and a statement of grounds for appeal under regulation [72] (appeal to board of medical referees) must be in writing.

(2) Unless regulation [73(1)] applies, the employer must send copies of the following documents to the appeal board—

- (a) the notice of appeal;
- (b) the statement of grounds for appeal; and
- (c) any other documents the scheme manager considers necessary.

Appeal board

86.—(1) The appeal board must consist of not less than three medical practitioners—

- (a) who are appointed by, and in accordance with, arrangements approved by the scheme manager; and
- (b) of whom one must be appointed chair.

(2) At least one member of the appeal board must be a specialist in a medical condition relevant to the appeal.

(3) Where there is an equality of voting among members of the appeal board, the chair has a second or casting vote.

(4) There must be paid to the members of the appeal board—

- (a) such fees as are determined in accordance with arrangements made by the scheme manager, or
- (b) where no such arrangements have been made, such fees and allowances as the scheme manager may from time to time determine.

(5) Any fees or allowances so payable must, subject to regulation [74(10)(c) and (e)]—

- (a) be paid by the employer; and
- (b) be treated as part of the expenses of the employer for the purposes of this regulation.

Hearing the appeal

87.—(1) The appeal board must—

- (a) appoint a time and place for hearing the appeal and for any further hearings it may consider necessary; and
- (b) give notice of the hearing to the appellant and the employer (“the parties to the appeal”).

(2) Notice of a hearing must be given at least 2 months before the hearing (or any shorter period the parties to the appeal agree).

(3) The parties to the appeal must, not less than 35 days (including weekends and public holidays) before the date appointed for a hearing, inform the appeal board whether they intend to be represented at the hearing.

(4) The appeal board may interview or examine the appellant at any hearing.

(5) Any hearing (including any medical examination of the appellant) may be attended by—

- (a) the selected medical practitioner or, if that practitioner is unavailable, a duly qualified medical practitioner appointed for the purpose by the employer, and
- (b) a duly qualified medical practitioner appointed for the purpose by the appellant.

(6) A medical practitioner who attends a hearing may only observe a medical examination.

(7) If any hearing includes a medical examination, only medical practitioners may be present for that part of the hearing.

(8) The appeal board must supply the parties to the appeal with a written statement of its decision.

(9) If the appeal board disagrees with any part of the selected medical practitioner’s report, the appeal board must supply a revised report.

Written evidence or a written statement

88.—(1) A party to an appeal who intends to submit written evidence or a written statement at a hearing must, subject to paragraph (2), submit it to the appeal board and the other party not less than 35 days before the date appointed for the hearing.

(2) If a party submits written evidence or a written statement under paragraph (1), the other party may, not less than seven days before the date appointed for the hearing, submit written evidence or a written statement in response.

(3) Any evidence or statement submitted under paragraph (2) must be submitted to the appeal board and the party who submitted the evidence or statement under paragraph (1).

(4) The appeal board may postpone or adjourn the date appointed for the hearing if—

- (a) written evidence or a written statement is submitted in contravention of this regulation; or
- (b) it appears necessary to do so for the proper determination of the appeal.

(5) References in this regulation to periods of days include weekends and public holidays.

Costs payable if hearing is cancelled, adjourned or postponed

89.—(1) Subject to the following paragraphs, the expenses of each party to the appeal must be borne by that party.

(2) This paragraph applies if a hearing is cancelled, adjourned or postponed at the request of, or due to the actions or omissions of, the scheme manager less than 11 days (excluding weekends and public holidays) before the date appointed for the hearing.

(3) If paragraph (2) applies, the appeal board must require the employer to pay to the appellant any expenses actually and reasonably incurred by the appellant in respect of attending or arranging to attend the cancelled, adjourned or postponed hearing.

(4) This paragraph applies if the appeal board determines that a hearing has been cancelled, adjourned or postponed at the request of, or due to the actions or omissions of, the appellant less than 11 days (excluding weekends and public holidays) before the date appointed for the hearing.

(5) If paragraph (4) applies, the employer may, subject to paragraph (7), require the appellant to pay towards the cost of the cancellation, adjournment or postponement such sum not exceeding the total costs of the cancellation, adjournment or postponement as the employer thinks fit.

(6) This paragraph applies if the appeal board, after taking account of any representations from either party, decides that—

- (a) the cancellation, adjournment or postponement was not due to any fault on the part of the appellant; and
- (b) the appellant should not pay towards the cost of the cancellation, adjournment or postponement.

(7) If paragraph (6) applies—

- (a) the appeal board must tell the parties of its decision; and
- (b) the employer must not require the appellant to pay towards the cost of the cancellation, adjournment or postponement.

Costs payable on decision

90.—(1) Costs are payable by the appellant in accordance with this regulation on determination of the appeal.

(2) This paragraph applies if the appeal board—

- (a) decides in favour of the employer; and
- (b) reports that in its opinion the appeal was frivolous or vexatious.

(3) If paragraph (2) applies, the employer may, subject to paragraph (4), require the appellant to pay towards the cost of the appeal such sum not exceeding the total fees and allowances of the members of the appeal board as the employer thinks fit.

(4) If the appeal board, after taking account of any representations from either party, decides there are exceptional reasons why the appellant should not pay towards the cost of the appeal—

- (a) the appeal board must tell the parties of its decision; and
- (b) the employer must not require the appellant to pay towards those costs.

(5) If the appeal board decides in favour of the appellant, the employer must refund to the appellant any expenses actually and reasonably incurred by the appellant in respect of attending any hearing of the appeal.

Refusal to be medically examined

91.—(1) This regulation applies if—

- (a) a question as to whether a person is permanently medically unfit is referred to a medical authority under this Chapter for decision; and
- (b) the person wilfully or negligently fails to submit to any medical examination or to attend any interviews that the medical authority considers necessary in order to make a decision.

(2) If the question arises otherwise than on an appeal under regulation [72], the employer may decide the question on such evidence and medical advice as the employer thinks necessary.

(3) If the question arises on an appeal under regulation [72], the appeal is taken to be withdrawn.

CHAPTER 7

Appeals in relation to payment of benefits

Appeals to sheriff

92.—(1) A member or the member's beneficiary may, subject to regulation [94] (limitation on appeals), appeal to the sheriff if the member or beneficiary is aggrieved by any of the following decisions of the employer—

- (a) the refusal to accept a claim for payment of—
 - (i) benefits under this scheme; or
 - (ii) a larger amount of benefits under this scheme than the amount granted;
- (b) a decision as to whether a refusal to accept medical treatment is reasonable for the purposes of regulation [4] (permanent medical unfitness);
- (c) the reduction under regulation [53] (reduction of pension in case of own fault) of the amount of pension payable to the member.

(2) The sheriff, after enquiring into the case, may make such order in the matter as appears to the sheriff to be just.

Appeals to tribunal

93.—(1) This regulation applies in relation to a member of the police force who is not in service as a member of the police force.

(2) The member or the member's beneficiary may, subject to regulation [94] (limitations on appeals), lodge an appeal with the employer if the member or beneficiary is aggrieved by any of the following decisions of the employer—

- (a) the refusal to accept a claim for payment of—
 - (i) benefits under this scheme; or
 - (ii) a larger amount of benefits under this scheme than the amount granted;

- (b) a decision as to whether a refusal to accept medical treatment is reasonable for the purposes of regulation [4] (permanent medical unfitness);
 - (c) the reduction under regulation [53] (reduction of pension in case of default) of the amount of pension payable to the member.
- (3) The employer must appoint an appeal tribunal.

Limitation on appeals to sheriff and tribunal

94. Subject to regulation [73(2)] (further reference to medical authority), in any proceedings under regulation [92] or [93], the court or tribunal is bound by any final report of a medical authority under regulation [73] (further reference to medical authority).

CHAPTER 8

Payment options

Options under this Chapter

- 95.** The options under this Chapter are—
- (a) the option under regulation [] to buy out the early payment reduction;
 - (b) the option under regulation [] to defer payment of a retirement added pension;
 - (c) the option under regulation [] (option to commute part of pension) to exchange part of a full retirement pension or ill-health pension for a lump sum;
 - (d) the option under regulation [] to exchange the whole of the member’s accrued pensions for a lump sum.

Exercising an option under this Chapter

96.—(1) A member may exercise an option under this Chapter by notice to the scheme manager in any form the scheme manager requires.

(2) In this Chapter, “option notice” means a notice by which a member exercises an option under this Chapter.

Option to buy out early payment reduction

- 97.—**(1) This regulation applies if—
- (a) a member of this scheme becomes entitled under Chapter 2 (retirement benefits) to the immediate payment of a full retirement pension; and
 - (b) the member has not reached normal pension age under this scheme.
- (2) The member may opt under this regulation to buy out the early payment reduction that would otherwise apply to the calculation of the annual rate of full retirement pension.
- (3) The cost must be met by way of a special payment to this scheme made by—
- (a) the member;
 - (b) the member’s employer (“the employer”); or
 - (c) both the member and the employer.
- (4) The employer may make a special payment using a lump sum payable to the member under a compensation scheme.
- (5) Any special payment by the employer must be made—
- (a) in accordance with the compensation scheme; or
 - (b) with the consent of the scheme manager.

- (6) If the employer makes a special payment under paragraph (5)(a)—
- (a) the lump sum payable to the member under the compensation scheme is reduced by the amount of the special payment; and
 - (b) if the amount of the special payment is more than the whole of the lump sum payable to the member under the compensation scheme, any difference is not chargeable to the member.
- (7) The cost of buying out the early payment reduction is an amount determined by the scheme manager having regard to actuarial guidance.
- (8) Any special payment made by a member must be made in accordance with the requirements of the scheme manager.

Option to defer payment of retirement added pension

- 98.**—(1) This regulation applies if a member of this scheme—
- (a) becomes entitled to the immediate payment of a retirement added pension of any description; and
 - (b) has not reached normal pension age under this scheme.
- (2) The member may opt under this regulation to defer payment of the retirement added pension of that description.
- (3) A member who exercises the option under this regulation becomes a deferred member of this scheme in respect of the retirement added pension of that description and accordingly—
- (a) a deferred member's account must be established under Part 5 (pension accounts); and
 - (b) the amount of retirement added pension of that description must be specified in the deferred member's account as the provisional amount of deferred added pension of that description.
- (4) The member is entitled to immediate payment of the retirement added pension of that description when the member gives notice to the scheme manager, in any form the scheme manager requires, that the member wishes to take that retirement added pension.
- (5) The annual rate of retirement added pension is calculated in accordance with regulation [].

Option to commute part of pension

- 99.**—(1) A member who becomes entitled to the immediate payment of a full retirement pension or ill-health pension under this scheme may opt under this regulation to exchange part of the pension for a lump sum.
- (2) An option under this regulation may only be exercised before the first payment of the pension is made.
- (3) If a member exercises the option, for every £1 by which the amount of the member's annual rate of full retirement pension or ill-health pension is reduced, the member must be paid a lump sum of £12.
- (4) The lump sum may not be more than 25% of the amount advised by the scheme actuary as representing the cash value of the pension.
- (5) A member may not exchange pension for lump sum under this regulation to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of FA 2004 (see section 241 of that Act).
- (6) If paragraph (6) applies, the member may opt to exchange only so much of the pension that exceeds the guaranteed minimum, multiplied by such factor as is indicated for a person of the member's description in tables provided by the scheme actuary.
- (7) This paragraph applies if the member has a guaranteed minimum under section 14 of PSA 1993 in relation to the whole or part of a pension as a result of receipt by this scheme of a

transfer payment from another pension scheme in respect of which the member had such a guaranteed minimum.

Option to commute whole of member's accrued pensions (serious ill-health)

100.—(1) This regulation applies in relation to an active member or deferred member of this scheme whom the selected medical practitioner certifies has a life-expectancy of less than 12 months.

(2) The member may opt under this regulation to exchange the whole of the member's accrued pensions for a lump sum.

(3) An option under this regulation ("this option") may only be exercised before the first payment of the pension is made.

(4) The lump sum payable to the member is an amount equal to—

$$(A + B) \times 5$$

where—

A means the total annual amount of full retirement pension; and

B means the total annual amount of ill-health pension.

(5) For the purpose of paragraph (4), "total annual amount" means—

(a) in relation to a full retirement pension to which the member would be entitled apart from this option, the sum of—

(i) the annual rate of full retirement pension to which the member would be entitled apart from this option, calculated as at the date the option is exercised, but without subtracting the early payment reduction (if any); and

(ii) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date; and

(b) in relation to an ill-health pension, the sum of—

(i) the annual rate of ill-health pension to which the member would be entitled apart from this option, calculated as at the date when payment would first be due; and

(ii) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date.

(6) The lump sum must be paid to the member as soon as is reasonably practicable after this option is exercised.

(7) The payment of a lump sum under this regulation in place of a pension discharges all liabilities under this scheme in respect of that pension.

PART 7

Benefits for pension credit members

Entitlement to pension credit member's pension

101. A pension credit member (P) of this scheme is entitled to the immediate payment for life of a pension credit member's pension under this scheme if—

(a) P has reached P's state pension age;

(b) the pension sharing order under which P is entitled to the pension credit has taken effect; and

(c) P has claimed payment of the pension.

Claim for early payment

102.—(1) This regulation applies in relation to a pension credit member (P) who—

- (a) has reached normal minimum pension age; and
- (b) has not reached P’s state pension age.

(2) P may claim early payment of a pension credit member’s pension by notice to the scheme manager in a form required by the scheme manager.

(3) A claim for early payment—

- (a) must state whether P has opted to buy out the early payment reduction under regulation []; and
- (b) must specify the date on which payment of the pension is claimed (“the claim date”).

(4) P is entitled to the immediate payment for life of a pension credit member’s pension on the claim date if the scheme manager is satisfied that on the claim date the requirements of regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000(a) are met.

Annual rate of pension credit member’s pension

103.—(1) The annual rate of a pension credit member’s pension is calculated by—

- (a) taking the amount of credited pension specified in the pension credit member’s account;
- (b) subtracting the early payment reduction (if any) specified in that account in relation to that amount; and
- (c) subtracting the commutation amount (if any) specified in that account in relation to that amount.

(2) If a member buys out the early payment reduction(b), the annual rate of pension is calculated without subtracting the early payment reduction.

Reduction in pension debit member’s benefits

104. The benefits to which a pension debit member is entitled under this Part are subject to the reduction to be made under section 31 of WRPA 1999.

Pension credit member’s rights

105.—(1) If regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early retirement or deferred retirement) applies, the scheme manager must be reasonably satisfied that the requirements of that regulation have been met.

(2) Benefits that are attributable (directly or indirectly) to a pension credit may not be aggregated with any other benefit to which a pension credit member is entitled under this scheme.

(3) If a pension credit member is a dual capacity member, benefits are payable to or in respect of the member in each of the member’s capacities.

Option for pension credit member to commute part of pension

106.—(1) A pension credit member who becomes entitled to immediate payment of a pension credit member’s pension under this scheme may opt to exchange part of the pension for a lump sum.

(2) The option under this regulation may only be exercised—

- (a) by notice to the scheme manager in a form required by the scheme manager; and
- (b) before the first payment of the pension is made.

(a) S.I. 2000/1054.

(b) Regulation [] provides for the option to buy out the early payment reduction.

(3) If a pension credit member exercises the option under this regulation, for every £1 by which the amount of the member's annual rate of pension credit member's pension is reduced, the member must be paid a lump sum of £12.

(4) A pension credit member may not exchange pension for lump sum under this regulation to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of FA 2004 (see section 241 of that Act).

(5) This regulation does not apply if the pension debit member from whose rights the pension is derived received a lump sum under Part 6 (retirement benefits) before the date on which the pension sharing order takes effect.

Option for pension credit member to commute whole pension (serious ill-health)

107.—(1) This regulation applies in relation to a pension credit member whom the selected medical practitioner certifies has a life-expectancy of less than 12 months.

(2) The pension credit member may opt to exchange the whole of the pension credit member's pension under this scheme for a lump sum.

(3) The option under this regulation ("this option") may only be exercised—

- (a) by notice to the scheme manager in a form required by the scheme manager; and
- (b) before the first payment of the pension is made.

(4) The lump sum—

- (a) is an amount equal to the total annual amount of the pension credit member's pension, multiplied by 5; and
- (b) must be paid to the pension credit member as soon as is reasonably practicable after this option is exercised.

(5) In this regulation, "total annual amount" in relation to a pension credit member's pension means the total of—

- (a) the annual rate of pension to which the member would be entitled apart from this option, calculated as at the date this option is exercised, but without subtracting the early payment reduction (if any); and
- (b) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date.

(6) The payment of a lump sum under this regulation in place of a pension discharges all liabilities under this scheme in respect of that pension.

PART 8

Death benefits

CHAPTER 1

Pensions for surviving adults

Surviving adults

108. In these Regulations—

"surviving adult", in relation to a deceased member of this scheme, means the member's surviving spouse, surviving civil partner or surviving adult partner;

"surviving civil partner", in relation to a deceased member of this scheme, means a person who was in a civil partnership^(a) with the member at the date of the member's death; and

(a) See section 1 of the Civil Partnership Act 2004 (c. 33) for the meaning of "civil partnership".

“surviving spouse”, in relation to a deceased member of this scheme, means a person who was married to the member at the date of the member’s death.

Meaning of “surviving adult partner”

- 109.**—(1) A person (P) is a surviving adult partner of a deceased member of this scheme if—
- (a) the member has sent to the scheme manager a written declaration in a form required by the scheme manager signed by both the member and P that—
 - (i) P and the member were cohabiting as partners in an exclusive, committed long-term relationship;
 - (ii) either P was financially dependent on the member or P and the member were financially interdependent;
 - (iii) P and the member were not prevented from entering into a marriage or civil partnership; and
 - (iv) the member acknowledged an obligation to send the scheme manager a signed notice of revocation should the relationship terminate; and
 - (b) the member has not revoked the declaration before the member’s death.
- (2) The member or P may revoke a declaration at any time by signed notice to the scheme manager in any form the scheme manager requires or is willing to accept.

Meaning of “surviving adult’s pension”

110. In these Regulations, “surviving adult’s pension” means any of the following pensions payable to a surviving adult—

- (a) a dependant’s earned pension payable under regulation [](2)(a);
- (b) a dependant’s lower tier ill-health pension payable under regulation [](2)(b);
- (c) a dependant’s enhanced upper tier ill-health pension payable under regulation [](2)(c);
- (d) a dependant’s added pension payable under regulation [](2)(d).

Entitlement to surviving adult’s pension

- 111.**—(1) This regulation applies in relation to a member who was at the date of death—
- (a) an active member of this scheme with at least 2 years’ qualifying service;
 - (b) a deferred member of this scheme; or
 - (c) a pensioner member of this scheme.
- (2) The surviving adult of the member is entitled to immediate payment for life of a surviving adult’s pension as follows—
- (a) if the member was entitled to the immediate payment of a retirement earned pension at the date of the member’s death, or would have become entitled to such a pension had the member not died, a dependant’s earned pension;
 - (b) if the member was entitled to the immediate payment of a lower tier ill-health pension at the date of the member’s death, a dependant’s lower tier ill-health pension;
 - (c) if the member was entitled to the immediate payment of an enhanced upper tier ill-health pension at the date of the member’s death, a dependant’s enhanced upper tier ill-health pension;
 - (d) if the member was entitled to the immediate payment of a retirement added (all beneficiaries) pension at the date of the member’s death or would have become entitled to such a pension had the member not died, a dependant’s added pension.
- (3) The scheme manager may withhold a surviving adult’s pension that would otherwise be payable to a surviving spouse if the member and the surviving spouse were married less than 6 months before the member’s death.

(4) The scheme manager may withhold a surviving adult's pension that would otherwise be payable to a surviving civil partner if the civil partnership was formed less than 6 months before the member's death.

(5) Paragraphs (3) and (4) are subject to regulation [] (guaranteed minimum pensions for surviving spouses and civil partners).

Annual rate of surviving adult's pensions payable on death of pensioner member

112.—(1) This regulation applies on the death of a pensioner member of this scheme (P).

(2) The annual rate of a dependant's earned pension is an amount equal to 50% of the total amount of retirement earned pension specified in P's retirement account at the date of P's death.

(3) The annual rate of a dependant's lower tier ill-health pension is an amount equal to 50% of the annual rate of P's lower tier ill-health pension, calculated without subtracting the commutation amount (if any).

(4) The annual rate of a dependant's enhanced upper tier ill-health pension is an amount equal to 50% of the annual rate of P's enhanced upper tier ill-health pension, calculated without subtracting the commutation amount (if any).

(5) The annual rate of a dependant's added pension is an amount equal to 50% of the amount of retirement added (all beneficiaries) pension specified in P's retirement account at the date of P's death.

(6) In accordance with section 7(4) of PIA 1971, for the purposes of this regulation there is to be disregarded any increase in the annual rate of a pension since the beginning date for that pension.

Annual rate of surviving adult's pensions payable on death of deferred member

113.—(1) This regulation applies on the death of a deferred member of this scheme.

(2) The annual rate of a dependant's earned pension is an amount equal to 50% of the sum of the provisional amount of deferred earned pension specified in the deferred member's account.

(3) The annual rate of a dependant's added pension is an amount equal to 50% of the provisional amount of deferred added (all beneficiaries) pension specified in the deferred member's account.

(4) In this regulation "deferred earned pension" means—

- (a) deferred standard earned pension; and
- (b) deferred club transfer earned pension (if any)

Annual rate of surviving adult's pensions payable on death of active member

114.—(1) This regulation applies on the death of an active member of this scheme who has at least 2 years' qualifying service.

(2) The annual rate of a dependant's earned pension is an amount equal to 50% of the annual rate of enhanced upper tier ill-health pension that would have been payable to the member had the member become entitled to such a pension on the date of the member's death.

(3) The annual rate of a dependant's added pension is an amount equal to 50% of the amount of retirement added (all beneficiaries) pension that would have been specified in the member's retirement account had the member become entitled to the immediate payment of such a pension on the date of the member's death.

Reduction in pensions in cases of wide age disparity

115.—(1) This regulation applies if, on the death of a member of this scheme, a surviving adult's pension is payable to a person ("the dependant") who is more than 12 years younger than the member.

(2) The annual rate of the surviving adult's pension is reduced by the lower of—

- (a) 50% of the amount of the annual rate of the pension calculated under regulation [], [] or []; and
 - (b) $2.5 \times (N - 12)\%$ of the amount of the annual rate of the pension so calculated,
- where N is the number of whole years by which the dependant is younger than the member.

CHAPTER 2

Pensions for eligible children

Meaning of “eligible child’s pension”

116. In these Regulations, “eligible child’s pension” means any of the following pensions payable under this Part—

- (a) a child’s earned pension;
- (b) a child’s lower tier ill-health pension;
- (c) a child’s enhanced upper tier ill-health pension;
- (d) a child’s added pension.

Meaning of “eligible child”

117.—(1) In these Regulations, “eligible child”, in relation to a deceased member of this scheme, means—

- (a) a natural child of the member where—
 - (i) the child meets any of conditions A to C; and
 - (ii) at the date of the members’ death the child was born or the child’s mother was pregnant with the child;
- (b) an adopted child or step-child of the member who meets any of conditions A to C; or
- (c) any other child or young person who—
 - (i) meets any of those conditions; and
 - (ii) in the opinion of the scheme manager, at the date of the member’s death was substantially dependent on the member, financially or because of physical or mental impairment.

(2) Condition A is that the person is [18 or under][under 18].

(3) Condition B is that the person is in full-time education or full-time vocational training on a course of at least one year’s duration and is under 23.

(4) Condition C is that in the opinion of the scheme manager the person is unable to engage in any regular employment because of physical or mental impairment and either—

- (a) the person is under 23; or
- (b) that impairment is in the opinion of the selected medical practitioner likely to be permanent and the person is dependent on the member at the date of the member’s death because of physical or mental impairment.

Eligible child’s pension

118.—(1) This regulation applies if a member of this scheme dies leaving an eligible child.

(2) An eligible child’s pension is only payable in respect of such period or periods during which a child or young person is an eligible child.

(3) An eligible child’s pension is not payable in respect of any period before a child’s birth.

(4) An eligible child’s pension is payable in respect of an eligible child as follows—

- (a) a child's earned pension is payable if the member was entitled to the immediate payment of a retirement earned pension at the date of the member's death or the member would have become entitled to such a pension had the member not died;
 - (b) a child's lower tier ill-health pension is payable if a lower tier ill-health pension was payable to the member at the date of the member's death;
 - (c) a child's enhanced upper tier ill-health pension is payable if an enhanced upper tier ill-health pension was payable to the member at the date of the member's death;
 - (d) a child's added pension is payable if the member was entitled to the immediate payment of a retirement added (all beneficiaries) pension at the date of the member's death or would have become entitled to such a pension had the member not died.
- (5) See Part 6 of Schedule 3 (transitional provisions) for payment of an eligible child's pension in respect of a transition member with continuity of service—
- (a) who dies as an active member of this scheme; and
 - (b) who has at least 2 years' qualifying service.

Annual rate of eligible child's pension

119.—(1) The annual rate of an eligible child's pension is determined by reference to the annual rate of the corresponding surviving adult's pension (disregarding any reduction falling to be made under regulation [] (wide age disparity)) whether or not a surviving adult's pension is payable on the death of the member.

- (2) For the purposes of this regulation, the corresponding surviving adult's pensions are—
 - (a) for a child's earned pension, a dependant's earned pension;
 - (b) for a child's lower tier ill-health pension, a dependant's lower tier ill-health pension;
 - (c) for a child's enhanced upper tier ill-health pension, a dependant's enhanced upper tier ill-health pension; and
 - (d) for a child's added pension, a dependant's added pension.
- (3) The annual rate of an eligible child's pension is payable as follows—
 - (a) if an eligible child's pension is payable in respect of one or 2 eligible children, the annual rate of eligible child's pension is equal to 50% of the annual rate of the corresponding surviving adult's pension;
 - (b) if an eligible child's pension is payable in respect of 3 or more eligible children, the annual rate of eligible child's pension payable to each eligible child is equal to the appropriate fraction of 50% of the annual rate of the corresponding surviving adult's pension.

(4) In this regulation, "the appropriate fraction" means $\frac{2}{Y}$ where—

Y is the number of eligible children in respect of whom an eligible child's pension is payable immediately after the date of the member's death.

CHAPTER 3

Payment of pensions for surviving adults and eligible children

Payment of pensions under this Part

120.—(1) A surviving adult's pension or eligible child's pension is payable from the day after the date of the member's death.

(2) An eligible child's pension payable in respect of an eligible child aged under 18 must be paid—

- (a) if the child is in the care of the member's surviving adult, to the surviving adult (unless the scheme manager directs otherwise); and

(b) in any other case, to a person determined by the scheme manager.

(3) A person who receives a sum under paragraph (2) must apply that sum for the benefit of the child.

Suspension and recovery of pensions paid under this Part

121.—(1) This regulation applies if—

- (a) on a member's death a pension has been awarded and paid under this Part; and
- (b) it later appears to the scheme manager that the member or the person to whom the pension has been paid made a false declaration or deliberately suppressed a material fact in connection with the award.

(2) The scheme manager may—

- (a) cease paying the pension; and
- (b) recover any payment made under the award.

(3) Paragraph (2) does not affect any right the scheme manager has to recover a payment or an overpayment.

Provisional awards of eligible child's pensions: later adjustments

122.—(1) This regulation applies where—

- (a) an active member, deferred member or pensioner member of this scheme has died;
- (b) a pension is paid in respect of one or more persons under this Part on the basis that they were eligible children at the date of the member's death and that there were then no other eligible children; and
- (c) it later appears that—
 - (i) a person in respect of whom such a pension has been paid was not an eligible child on the date of death;
 - (ii) on that date a further person was an eligible child; or
 - (iii) a child who was born after the member's death is an eligible child.

(2) The scheme manager may adjust the amount of pension payable in respect of each eligible child to take account of the matters in paragraph (1)(c).

(3) Paragraph (2) does not affect any right the scheme manager has to recover a payment or an overpayment.

Adjustment of benefits to comply with FA 2004 where members die over 75

123.—(1) This regulation applies if—

- (a) a member of this scheme dies after reaching the age of 75; and
- (b) apart from this regulation, any part of a pension to which any person becomes entitled under this Part on the death would not qualify as a dependants' scheme pension for the purposes of section 167 of FA 2004 (the pension death benefit rules) (see paragraphs 16 to 16C of Schedule 28 to that Act).

(2) The benefit payable to the person may be adjusted in any way as determined by the scheme manager so that it qualifies as a dependants' scheme pension for the purposes of section 167 of FA 2004.

Guaranteed minimum pensions for surviving spouses and civil partners

124.—(1) If a person who is the surviving spouse or civil partner of a deceased active, deferred or pensioner member has a guaranteed minimum under section 17 of PSA 1993 in relation to benefits in respect of the deceased member under this scheme—

- (a) nothing in these Regulations permits or requires anything that would cause requirements made by or under that Act in relation to such a person and such a person's rights under a scheme not to be met in the case of the person; and
 - (b) nothing in these Regulations prevents anything from being done which is necessary or expedient for the purposes of meeting such requirements in the case of the person.
- (2) The following paragraphs are without prejudice to the generality of paragraph (1).
- (3) If apart from this regulation a pension would not be payable to a surviving spouse or civil partner under this Part—
- (a) a pension the weekly rate of which is equal to the guaranteed minimum is payable to the surviving spouse or civil partner for life; or
 - (b) pensions the aggregate weekly rate of which is equal to the guaranteed minimum are so payable.
- (4) If apart from this regulation the weekly rate of a pension payable to a surviving spouse or civil partner under this Part would be less than the guaranteed minimum, the pensions payable are increased to the amount specified in paragraph (3).
- (5) Paragraphs (3) and (4) do not apply to a pension that is—
- (a) forfeited as a result of a conviction for treason; or
 - (b) forfeited under regulation [] where the relevant offence within the meaning of that regulation is an offence under the Official Secrets Acts 1911 to 1989(a).

CHAPTER 4

Payment of lump sum death grants

Payment of lump sum death grant

- 125.**—(1) A lump sum death grant is payable in respect of—
- (a) an active member of this scheme who dies; or
 - (b) a pension credit member of this scheme who dies before any benefits attributable (directly or indirectly) to a pension credit become payable.
- (2) A lump sum death grant is payable whether or not a surviving adult's pension or death gratuity is payable in respect of the member.
- (3) A lump sum death grant must be paid within the period of 2 years beginning with the earlier of—
- (a) the day on which the scheme manager first knew of the member's death; and
 - (b) the day on which the scheme manager could reasonably be expected to have known of the member's death.
- (4) The scheme manager may decide not to pay a lump sum death grant if it is impracticable to pay it.
- (5) A lump sum death grant is not payable in respect of a member who dies after reaching 75 (see regulation [] for payment of a pension instead of a lump sum).

Nominations for lump sum death grants

- 126.**—(1) A member of this scheme may nominate an individual to receive a lump sum death grant.
- (2) A nomination may only be made by signed notice to the scheme manager in a form the scheme manager requires or is willing to accept.

(a) 1989 c. 6; see section 16(2) for the meaning of "Official Secrets Acts 1911 to 1989".

(3) A member may revoke or alter a nomination by a further signed notice to the scheme manager in a form the scheme manager requires or is willing to accept.

Invalid nominations of individuals

127.—(1) If the nomination of an individual is invalid, any lump sum death grant that would have been payable to the individual is payable to the member's executors.

(2) A nomination of an individual is invalid if—

- (a) the individual predeceases the member; or
- (b) the individual is convicted of the offence of murder of the member.

(3) The scheme manager may determine that the nomination of an individual is invalid if the individual is convicted of the culpable homicide of the member or any other offence (apart from murder) of which the unlawful killing or wounding of the member is an element.

Recovery of payment if nomination found to be invalid

128.—(1) The scheme manager may recover a lump sum death grant paid to any person if the person's nomination is subsequently found to be invalid.

(2) Paragraph (1) does not affect any other right the scheme manager has to recover a payment or an overpayment.

Payment of lump sum death grant

129.—(1) The scheme manager must pay a lump sum death grant to any surviving spouse or surviving civil partner of the member, unless immediately before the member's death—

- (a) the member and the spouse or civil partner were separated by an order or decree of a competent court; and
- (b) the member was not required by the order to contribute, and was not in fact regularly contributing—
 - (i) to the support of the spouse or civil partner; or
 - (ii) to the support of a child of the spouse or civil partner.

(2) If a lump sum death grant is not paid under paragraph (1), the scheme manager may in its discretion pay a lump sum death grant to any surviving adult partner of the member, if the surviving adult partner—

- (a) claims payment of a surviving adult's pension; and
- (b) satisfies the scheme manager that at the time of the member's death—
 - (i) the circumstances stated in the declaration under regulation [] continued to subsist; and
 - (ii) the member and the surviving adult partner had cohabited for at least 2 years.

(3) If a lump sum death grant is not paid under paragraph (2), the scheme manager may in its discretion pay a lump sum death grant to a person nominated under regulation [] if the nomination has effect at the date of the member's death.

(4) If a lump sum death grant is not paid under paragraph (3), the scheme manager may in its discretion pay a lump sum death grant to the member's executors.

Members affected by court orders to former spouses and civil partners on death

130.—(1) This regulation applies if on a member's death the scheme manager is required under a court order to pay any part of a lump sum death grant to the member's former spouse or civil partner.

(2) The amount of lump sum death grant payable under regulation [] is first determined as if no such order had been made, and then this Part applies as if the amount payable under regulation [] were reduced by the amount payable under the court order.

Pension protection lump sum death benefit

131.—(1) A lump sum death grant is treated for the purposes of FA 2004 as a pension protection lump sum death benefit if and to the extent that—

- (a) the member has given written notice to the scheme manager that the lump sum death grant is to be so treated; and
- (b) the lump sum death grant meets all of the conditions required by FA 2004 for it to be treated as a pension protection lump sum death benefit (see paragraph 14 of Part 2 (lump sum death benefit rule) of Schedule 29 to FA 2004(a)).

(2) Tax may be deducted from the lump sum death grant if the scheme manager is liable for tax under section 206 of FA 2004 in respect of a pension protection lump sum death benefit.

Payment of pension instead of lump sum death grant for members who have reached 75

132.—(1) This regulation applies if a member dies after reaching 75.

(2) The scheme manager must pay a pension under this regulation to any surviving spouse or surviving civil partner of the member.

(3) If there is no surviving spouse or surviving civil partner, the scheme manager may pay a pension to—

- (a) any surviving adult partner of the member;
- (b) a person nominated by the member under regulation []; or
- (c) the member’s executors.

(4) The restrictions in regulation [] (payment of lump sum death grant) relating to payment of a lump sum death grant also apply to payment of a pension under this regulation.

(5) A pension payable under this regulation—

- (a) is payable for the pension protection period; and
- (b) must be equal to the sum of—
 - (i) the pension that would have been payable to the member had the member lived until the end of the pension protection period; and
 - (ii) any increases in the annual rate of that pension under PIA 1971 during that period.

(6) In this regulation, “the pension protection period” means the period beginning with the day of the member’s death and ending with the fifth anniversary of the date on which the member’s pension became payable.

CHAPTER 5

Amount of lump sum death grant

Meaning of “final pay”

133.—(1) In these Regulations, “final pay” in relation to a continuous period of pensionable service means the greater of the following amounts—

- (a) the annual rate of a member’s pensionable earnings payable in respect of the 12 months ending with the last day of pensionable service;

(a) Paragraph 14 was amended by the Finance Act 2011 (c. 11) Schedule 16 paragraphs 32 and 34.

- (b) the annual rate of a member’s pensionable earnings payable in respect of any scheme year in the 10 scheme years immediately before the last active scheme year (“the earnings year”).

(2) For the purpose of determining which of the amounts mentioned in paragraph (1) is the greater—

- (a) if the member’s continuous period of pensionable service was less than 12 months, the amount in paragraph (1)(a) is an amount equal to the member’s annualised final pay; and
- (b) the amount in paragraph (1)(b) is adjusted for inflation in accordance with paragraph (3).

(3) The amount of pensionable earnings payable in respect of the earnings year is adjusted for inflation by increasing it by the same amount as that by which the annual rate of a pension of an amount equal to the amount of pensionable earnings would have been increased under PIA 1971 by the day following the last day of pensionable service if—

- (a) that pension was eligible to be so increased; and
- (b) the beginning date for that pension was the first day of the next scheme year after the earnings year.

(4) In this regulation, if the member is a transition member with continuity of service, “pensionable earnings” in respect of any period includes the member’s pensionable earnings under the existing police pension scheme before the transition date for that member.

Meaning of “annualised final pay”

134.—(1) For the purposes of this Chapter, for a continuous period of pensionable service that is less than 12 months, a member’s annualised final pay is—

$$FP \times \frac{365}{N}$$

where—

FP is the amount of the member’s pensionable earnings payable in respect of that period of service; and

N is the number of days in that period.

(2) But if the continuous period of pensionable service includes 29th February, paragraph (1) has effect with the substitution for “365” of “366”.

(3) In this regulation, if the member is a transition member with continuity of service, “pensionable earnings” in respect of any period includes the member’s pensionable earnings under the existing police pension scheme before the transition date for that member.

Amount of lump sum death grant payable on death of active member

135.—(1) This regulation applies in relation to a continuous period of pensionable service under this scheme (“period of service”).

(2) If the member is a transition member with continuity of service, the period of service includes the member’s period of pensionable service under the existing police pension scheme before the transition date for that member.

(3) The amount of the lump sum death grant payable in respect of a person (P) who dies while an active member of this scheme is—

- (a) if P’s period of service was at least 12 months—

$$P's \text{ final pay} \times 3$$

- (b) if P’s period of service was less than 12 months—

$$P's \text{ annualised final pay} \times 3 .$$

Amount of lump sum death grant payable on death of pension credit member

136.—(1) This regulation applies if a pension credit member of this scheme dies before any benefits derived from a pension credit have become payable to the member.

(2) The amount of the lump sum death grant is equal to—

$$\text{annual rate of pension} \times 3$$

where—

“annual rate of pension” means the annual rate of pension credit member’s pension to which the member would have been entitled if the member had reached the member’s state pension age on the date of the member’s death.

Amount payable under court order to former spouse or civil partner

137.—(1) This regulation applies if on the death of a member of this scheme the scheme manager is required under a court order to pay any part of a lump sum death grant to the member’s former spouse or civil partner.

(2) The amount of the lump sum death grant is first determined as if no such order had been made, and then this Part applies as if the amount of the lump sum death grant were reduced by the amount payable under the court order.

CHAPTER 6

Death gratuities

Application of Chapter

138. This Chapter applies in relation to a continuous period of pensionable service under this scheme.

Death gratuities - dependants

139.—(1) This regulation applies in relation to a pensioner member of this scheme who dies if—

- (a) the death results from an injury received in the execution of duty; or
- (b) the member dies within 2 years of becoming entitled to the member’s retirement pension.

(2) The scheme manager may [in its discretion] grant a gratuity to any person who at the date of the member’s death was in the opinion of the scheme manager—

- (a) wholly or partly financially dependent on the member; or
- (b) wholly or partly dependent on the member because of physical or mental impairment.

(3) The total amount of any gratuities granted under this regulation must not exceed the sum of all member contributions and payments for extra pension made by the member under this scheme.

Death gratuity – estate

140.—(1) This regulation applies in relation to a pensioner member or active member of this scheme who dies.

(2) If the sum of the amounts in paragraph (3) is less than the sum of all member contributions and payments for extra pension made by the member under this scheme, the scheme manager must pay to the member’s executors a gratuity equal to the difference.

(3) The amounts are—

- (a) any amount of pension or lump sum paid to the member in relation to a continuous period of pensionable service under this scheme, together with any increase under PIA 1971;

- (b) the capitalised value (determined by the scheme manager, having regard to actuarial tables) of any surviving adult's pension or eligible child's pension granted in respect of the member's death;
- (c) if the member is also a pension credit member, the actuarial value of any pension credit; and
- (d) any gratuity granted under regulation [] (dependants) in respect of the member's death.

CHAPTER 7

Prevention of duplication of benefits

Payment of one award only in respect of deceased member

141.—(1) This regulation applies in relation to a continuous period of pensionable service under this scheme.

- (2) A person is not entitled to receive in relation to that period of service both—
 - (a) a surviving adult's pension or an eligible child's pension; and
 - (b) an award under the Injury Benefits Regulations.
- (3) The person may select which award the person wishes to receive.
- (4) If the person does not select an award, the person is to be paid—
 - (a) the award which is for the time being greater; or
 - (b) if the amount of both awards is the same, that amount.

PART 9

Contributions

Rate of member contributions

142.—(1) An active member of this scheme must pay contributions to this scheme (“member contributions”) on the member's pensionable earnings for each pay period at a rate determined under this regulation (“member contributions rate”).

(2) The member contributions rate which applies to a member's pensionable earnings is the rate which applies when the member's pensionable earnings are paid.

(3) For the purpose of paragraph (2), assumed pay for any pay period is treated as having been paid when pensionable earnings for that period would have been paid had the circumstances in regulation [](3) (assumed pay) which apply to the member not applied.

(4) The member contributions rate during a scheme year to which a table set out in this regulation applies is the percentage, set out in the table, which applies to a member's annualised rate of pensionable earnings calculated in relation to each payment of a member's pensionable earnings.

(5) Where the member's pensionable earnings for a scheme year are payable to the member in 12 instalments, the member's annualised rate of pensionable earnings is calculated as follows, rounded down to the nearest whole pound—

$$12P$$

where P is the amount of a payment of the member's pensionable earnings.

(6) Where the member's pensionable earnings for a scheme year are payable to the member otherwise than in 12 instalments, the member's annualised rate of pensionable earnings is calculated as follows, rounded down to the nearest whole pound—

$$P \times \frac{365}{N}$$

where—

P is the amount of a payment of the member’s pensionable earnings; and

N is the number of days in the relevant pay period.

(7) For the purpose of paragraph (6), the relevant pay period is—

- (a) for the first payment of pensionable earnings, the period beginning on the member’s first day of pensionable service and ending on the day before the day that this payment of pensionable earnings is made; or
- (b) otherwise, the period beginning on the day the previous payment of pensionable earnings was made and ending on the day before the day that this payment of pensionable earnings is made.

(8) If the scheme year in which the payment of pensionable earnings is made includes 29th February, paragraph (6) has effect with the substitution for “365” of “366”.

Scheme year 1st April 2015 to 31st March 2016

Annualised rate of pensionable earnings

Member contributions rate

Scheme year 1st April 2016 to 31st March 2017

Annualised rate of pensionable earnings

Member contributions rate

Scheme year 1st April 2017 to 31st March 2018

Annualised rate of pensionable earnings

Member contributions rate

Scheme year 1st April 2018 to 31st March 2019

Annualised rate of pensionable earnings

Member contributions rate

Amount of pensionable earnings

143.—(1) For the purpose of regulation [] (rate of member contributions), the amount of a member's pensionable earnings for any pay period is determined in accordance with this regulation.

(2) Unless paragraph (3) or (4) applies, the amount of the member's pensionable earnings during any period of assumed pay is equal to the member's assumed pay.

(3) For any period of assumed pay under regulation [](3)(a) (assumed pay), the amount of the member's pensionable earnings is equal to the member's reduced pay while on sick leave.

(4) For any period of assumed pay under regulation [](3)(b) or (c) (assumed pay), the amount of the member's pensionable earnings is the amount of contractual remuneration or statutory pay actually paid to or for the member in respect of the period of adoption leave, maternity leave, parental leave, shared parental leave, maternity support leave or adoption support leave.

Payment of member contributions

144.—(1) Member contributions are to be deducted by the member's employer from the member's pensionable earnings for each pay period.

(2) A member's employer may make contributions on the member's behalf in circumstances determined by the scheme manager.

(3) A member is not required to pay member contributions while the member is on the following unpaid leave—

- (a) unpaid adoption leave;
- (b) unpaid maternity leave;
- (c) unpaid parental leave;
- (d) unpaid shared parental leave
- (e) unpaid maternity support leave;
- (f) unpaid adoption support leave.

(4) For the purpose of paragraph (3), unpaid leave does not include any leave in respect of which statutory pay is payable under the Social Security Contributions and Benefits Act 1992.

Employer contributions

145.—(1) Each employer of an active member of this scheme must pay contributions to this scheme in respect of the member at the rate of % ("employer contributions").

(2) Employer contributions must be paid at the intervals the scheme manager, having regard to actuarial guidance, may for the time being determine.

(3) In addition, the employer must pay the following charges to this scheme at the rate and at the intervals the scheme manager may for the time being determine—

- (a) annual administration charges;
- (b) any other administrative charges.

Deduction of payments for extra pension under Schedule 1

146. Schedule 1 has effect for the purpose of enabling deductions of—

- (a) payments for added pension; and
- (b) payments in respect of a period of unpaid leave.

Refund of all member contributions and payments for extra pension made by the member

147.—(1) This regulation applies in relation to a continuous period of pensionable service under this scheme ("period of service").

(2) All member contributions and payments resulting from the exercise of an option under Schedule 1 (“payments for extra pension”) made by the member in relation to the period of service are only refundable if—

- (a) regulation [] (opting out before the end of 3 months) applies; or
- (b) the member’s pensionable service ceases and—
 - (i) the member has less than 2 years’ qualifying service;
 - (ii) if a transfer payment has been received by this scheme in relation to the member, it was from another occupational pension scheme; and
 - (iii) the member has not reached normal pension age under this scheme.

(3) If paragraph (2)(b) applies, the member is entitled to be paid an amount equal to the sum of all member contributions and payments for extra pension made by the member, less an amount equal to the income tax payable under section 205 (short service refund lump sum charge) of FA 2004(a) as a result of a refund of those contributions and payments.

(4) If all member contributions and payments for extra pension made by the member are refunded under this regulation, the member’s rights under this scheme in relation to the period of service are extinguished.

PART 10

Transfers

CHAPTER 1

Preliminary

Application of Part

148. This Part—

- (a) supplements the rights conferred by or under Chapter 4 of Part 4 of PSA 1993 (transfer values) and is without prejudice to that Chapter; and
- (b) supplements the rights conferred by or under Chapter 5 of that Part (early leavers: cash transfer sums and contribution refunds)(b)and is without prejudice to that Chapter.

Interpretation of Part

149. In this Part—

“cash equivalent”, in relation to benefits under this scheme other than accrued earned pension, means an amount calculated in accordance with regulations made under section 97 of PSA 1993;

“club scheme” means a registered occupational pension scheme (other than a connected scheme) that has agreed to make and receive club transfer value payments under the club transfer arrangements;

“club transfer” means a transfer to or from this scheme under the club transfer arrangements;

“club transfer arrangements” means arrangements approved by the Minister for the Civil Service as providing reciprocal arrangements between this scheme and other registered occupational pension schemes for making and receiving club transfer value payments;

“club transfer value”, in relation to accrued earned pension under this scheme or under another club scheme, means an amount calculated by the scheme manager—

- (a) in accordance with the club transfer arrangements; and

(a) Section 205 was amended by Finance Act 2013 (c. 29) Schedule 46 paragraphs 119 and 121 and S.I. 2010/536.

(b) Chapter 5 of Part 4 of PSA 1993 was inserted by section 264 of the Pensions Act 2004 (c. 35).

(b) by reference to the guidance and tables provided by the Government Actuary for this purpose that are in use on the date used for the calculation;

“club transfer value payment” means payment of a club transfer value;

“guarantee date” has the meaning given in regulation [] (statement of entitlement);

“guaranteed cash equivalent”, in relation to benefits under this scheme other than accrued earned pension, means the cash equivalent of those benefits at the guarantee date, as specified in a statement of entitlement;

“sending scheme” means a club scheme which pays a club transfer value;

“statement of entitlement”, in relation to the accrued rights to benefits under this scheme of an active member or deferred member, means a statement by the scheme manager at the guarantee date setting out—

(a) the cash equivalent of benefits under this scheme other than accrued earned pension; and

(b) the club transfer value of accrued earned pension under this scheme;

“transfer club” means the club of registered occupational pension schemes which make and receive payments of club transfer values under the club transfer arrangements;

“transfer payment” means a transfer value payment or a club transfer value payment;

“transfer value” means—

(a) for accrued rights to benefits under this scheme (other than rights to accrued earned pension), an amount equal to—

(i) the guaranteed cash equivalent of those benefits; or

(ii) the guaranteed cash equivalent together with any increase payable under regulation [] (calculating amount of transfer value); and

(b) for accrued rights to benefits under another pension scheme (other than rights to accrued club transfer earned pension), an amount—

(i) determined by the scheme actuary of that scheme; and

(ii) specified in a statement of accrued rights provided by the scheme manager of that scheme; and

“transfer value payment” means payment of a transfer value.

CHAPTER 2

Transfers out

Transfer payments made to other schemes or pension arrangements

150.—(1) A transfer payment may only be made in respect of the accrued rights to benefits of an active member or deferred member of this scheme.

(2) A transfer payment may only be made to—

(a) a registered pension scheme that is not a connected scheme; or

(b) a pension arrangement that is a qualifying recognised overseas pension scheme for the purposes of Part 4 of FA 2004 (see section 169(2)(a) of that Act).

(3) A transfer payment may not be made in respect of rights that are attributable (directly or indirectly) to a pension credit.

(4) A member may only require the scheme manager to use a transfer payment in a way specified in section 95(2)(b) of PSA 1993.

(a) Section 169(2) was amended by the Finance Act 2013 (c. 29) section 53(2) and (3).

(b) Section 95(2) was amended by S.I. 2001/3649.

(5) A member may only require the scheme manager to make a club transfer value payment in the period of 12 months beginning with the day on which the member becomes eligible to be an active member of the club scheme to which the payment is to be made.

(6) If section 96(2)(a) of PSA 1993 applies, benefits attributable to the following may be excluded from the transfer payment—

- (a) the member's accrued rights to a guaranteed minimum pension; or
- (b) the member's accrued rights attributable to service in contracted-out employment (within the meaning of Part 3 of that Act) on or after 6 April 1997.

Application for a statement of entitlement

151.—(1) This regulation applies in relation to an active member or deferred member of this scheme (P) who requires a transfer payment to be made in respect of P's accrued rights to benefits under this scheme.

(2) Before requesting the transfer payment, P must apply for a statement of entitlement by notice to the scheme manager.

(3) P may withdraw the application by notice to the scheme manager at any time before the statement is provided.

(4) P may make a second application by notice to the scheme manager in the period of 12 months beginning with the date of the first application(b).

Statement of entitlement

152.—(1) The scheme manager must specify in the statement of entitlement the date by reference to which the cash equivalent or club transfer value is calculated ("guarantee date").

(2) Unless paragraph (4) applies, the guarantee date must fall within both the following periods—

- (a) the 3 months beginning with the date of the member's application for the statement of entitlement ("the 3 month period"); and
- (b) the 10 days ending with the date on which the member is provided with that statement ("the 10 day period").

(3) In counting the 10 day period, Saturdays, Sundays, Christmas Day, New Year's Day and Good Friday are excluded.

(4) The scheme manager may specify in the statement of entitlement a guarantee date that falls within the 6 months beginning with the date of the member's application for the statement of entitlement if, for reasons beyond the control of the scheme manager, the information needed to calculate the amount of the cash equivalent or club transfer value cannot be obtained before the end of the 3 month period.

Request for transfer payment to be made

153.—(1) An active member or deferred member of this scheme who is provided with a statement of entitlement may request a transfer payment to be made in respect of the member's accrued rights to benefits under this scheme.

(2) The request for the transfer payment must—

- (a) be made by notice to the scheme manager;

(a) Section 96(2) was amended by PA 1995, paragraph 63 of Schedule 5; WRPA 1999, paragraph 3 of Schedule 2 and Part 1 of Schedule 13; the Pensions Act 2007 (c. 22), paragraphs 1 and 29 of Schedule 4 and Part 6 of Schedule 7; and S.I. 2011/1730.

(b) This provision overrides regulation 6(3) of S.I. 1996/1847.

- (b) specify the pension scheme or other pension arrangement to which the transfer payment is to be made; and
- (c) meet any other conditions the scheme manager requires.

(3) The member by notice to the scheme manager may withdraw the request at any time before the transfer payment is made.

(4) The member may not withdraw the request if an agreement for the use of the whole or part of the transfer payment has already been entered into with a third party.

Calculating the amount of a transfer value or club transfer value

154.—(1) If a transfer value is paid later than 6 months after the guarantee date, the amount of the guaranteed cash equivalent must be increased in accordance with regulations made under section 97 of PSA 1993.

(2) If a club transfer value is paid later than 6 months after the guarantee date, the amount of the club transfer value as specified in the statement of entitlement must be increased if necessary so that it is equal to the amount it would have been if the guarantee date had been the date on which the payment is made.

(3) If the transfer value or club transfer value is less than the minimum transfer value, the amount of the transfer value or club transfer value must be increased so that it is equal to the amount of the minimum transfer value.

(4) In this regulation, “minimum transfer value” means the total of—

- (a) the sum of all member contributions and payments for extra pension made by the member; and
- (b) the sum of all transfer payments received by this scheme in relation to the member.

Effect of transfers out

155. If a transfer payment is made under this Chapter in respect of a member’s accrued rights to benefits under this scheme, those rights are extinguished.

CHAPTER 3

Transfers in

Application of Chapter

156. This Chapter applies in relation to an active member of this scheme who has accrued rights under another pension scheme (P).

Interpretation of Chapter

157. In this Chapter—

“club transfer statement” means a statement under regulation [] of the amount of club transfer earned pension;

“transfer date” means the earlier of—

- (a) if the scheme manager has provided a transfer statement or a club transfer statement, the last day of the period of 2 months beginning with the date of the statement; and
- (b) the day on which the transfer payment is received by the scheme manager;

“transfer payment request” means a request to the scheme manager under this Chapter that a transfer payment be accepted from another pension scheme;

“transfer statement” means a statement under regulation [](2).

Request for acceptance of a transfer payment

158.—(1) P may by notice to the scheme manager request that a transfer payment be accepted in respect of some or all of P's accrued rights to benefits under another pension scheme.

(2) A transfer payment request—

(a) must specify—

- (i) the pension scheme from which the transfer payment is to be made; and
- (ii) the anticipated amount of the transfer payment;

(b) must meet any other conditions the scheme manager requires; and

(c) subject to paragraph (3), must be made during the period of 12 months beginning with the day on which P becomes eligible to be an active member of this scheme.

(3) The scheme manager may treat a transfer payment request as having been made earlier than it was if the scheme manager considers it reasonable to do so in the circumstances.

(4) Subject to paragraph (5), on receiving a transfer payment request, the scheme manager may accept the transfer payment if all the conditions that the scheme manager may have required are met.

(5) The scheme manager may not accept a transfer payment if—

(a) it would be applied in whole or in part in respect of—

- (i) the member's entitlement to a guaranteed minimum pension; or
- (ii) the entitlement of the member's spouse or civil partner to a guaranteed minimum pension; and

(b) it is less than the amount required for that purpose, as calculated in accordance with actuarial guidance and actuarial tables prepared for the purposes of this paragraph.

Transfer statement

159.—(1) This regulation applies in relation to a request for a transfer value payment to be accepted from another pension scheme.

(2) The scheme manager may require that, before making a transfer payment request, P must ask the scheme manager to provide a statement of the amount of transferred pension that P will be entitled to count under regulation [] (amount of transferred pension) if the transfer date falls within the period of 2 months beginning with the date of that statement.

(3) The amount specified in the transfer statement must be an amount calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to—

(a) factors relating to P's circumstances as at the end of that 2-month period; and

(b) any other factors as at the date of the statement that the scheme actuary considers should apply.

Amount of transferred pension

160.—(1) This regulation applies in relation to any transfer value payment received in relation to P from another pension scheme.

(2) For the scheme year in which the transfer date falls, the amount of transferred pension P is entitled to count in respect of the transfer payment is—

(a) the amount specified in the transfer statement; or

(b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to any factors as at the transfer date that the scheme actuary considers should apply.

(3) The amount of transferred pension P is entitled to count in a scheme year must not be more than 50% of P's annual rate of pensionable earnings at the day P becomes an active member of this scheme.

Club transfer statement

161.—(1) This regulation applies in relation to a request by P for a club transfer value payment to be accepted from another club scheme.

(2) The scheme manager may require that, before making the transfer payment request, P must ask the scheme manager to provide a statement of the amount of club transfer earned pension that P will be entitled to count under regulation [] (amount of club transfer earned pension) if the transfer date falls within the period of 2 months beginning with the date of that statement.

(3) The amount of club transfer earned pension specified in the statement must be calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to—

- (a) factors relating to P’s circumstances as at the end of that 2-month period; and
- (b) any other factors as at the date of the statement that the scheme actuary considers should apply.

(4) The statement must specify the basis on which an amount of accrued earned pension is revalued under the sending scheme while a member is in pensionable service under that scheme.

Amount of club transfer earned pension

162.—(1) This regulation applies in relation to a club transfer value payment received from another club scheme in relation to P.

(2) For the scheme year in which the transfer date falls, the amount of club transfer earned pension P is entitled to count in respect of a club transfer value payment is—

- (a) the amount specified in the club transfer statement; or
- (b) if such a statement is not provided, an amount calculated by the scheme manager in accordance with actuarial guidance and actuarial tables by reference to any factors as at the transfer date that the scheme actuary considers should apply.

CHAPTER 4

Bulk transfers

Bulk transfers out

163.—(1) This regulation applies if—

- (a) the employment of one or more active members (“the transferring employees”) is transferred without their consent to a new employer;
- (b) on that transfer, the transferring employees—
 - (i) cease to be eligible to be active members of this scheme; and
 - (ii) become active members of another occupational pension scheme (“the new employer’s scheme”);
- (c) the scheme manager, having regard to actuarial guidance, has agreed special terms for making transfer payments to the new employer’s scheme in respect of the rights of the transferring employees; and
- (d) the transferring employees have consented in writing to their rights being transferred in accordance with those terms.

(2) This regulation also applies if—

- (a) the rights of one or more members (“the transferred members”) are transferred to another occupational pension scheme (“the new scheme”) from this scheme without their consent in accordance with section 73(2)(a)(i) and (4)(b) of PSA 1993; and
- (b) the scheme manager, having regard to actuarial guidance, has agreed special terms for the making of transfer payments to the new scheme in respect of the rights of the transferred members.

(3) The transfer payment to be made in respect of the rights of the transferring employees or the transferred members is an amount that the scheme manager, having regard to actuarial guidance, determines to be appropriate under the special terms.

(4) This Part has effect with any modifications the scheme manager considers necessary to give effect to those terms.

(5) If the Scottish Ministers give an undertaking concerning the pension rights of the transferring employees or the transferred members, this Part has effect with any modifications the scheme manager considers necessary to reflect the terms of the undertaking.

(6) If the transfer is directly or indirectly attributable to an enactment, this Part has effect with any modifications the scheme manager considers necessary in consequence of the transfer.

Bulk transfers in

164.—(1) This regulation applies if—

- (a) the employment of one or more persons (“the transferred employees”) is transferred without their consent to a new employer;
- (b) on that transfer, the transferred employees—
 - (i) cease to be active members of an occupational pension scheme (“the former employer’s scheme”); and
 - (ii) become active members of this scheme;
- (c) the scheme manager, having regard to actuarial guidance, has agreed special terms for the acceptance of transfer payments from the former employer’s scheme in respect of the rights of the transferred employees; and
- (d) the transferred employees have consented in writing to their rights being transferred in accordance with those terms.

(2) This regulation also applies if—

- (a) the rights of one or more persons (“the transferred members”) are transferred from an occupational pension scheme (“the former scheme”) to this scheme without their consent in accordance with section 73(2)(a)(i) and (4)(b) of PSA 1993, and
- (b) the scheme manager, having regard to actuarial guidance, has agreed special terms for the acceptance of transfer payments from the former scheme in respect of the rights of the transferred members.

(3) This scheme has effect with any modifications the scheme manager considers necessary to give effect to the special terms.

(4) If the Scottish Ministers give an undertaking concerning the pension rights of the transferred employees or the transferred members, this scheme has effect with any modifications the scheme manager considers necessary to reflect the terms of the undertaking.

(5) If the transfer is directly or indirectly attributable to an enactment, this scheme has effect with any modifications the scheme manager considers necessary in consequence of the transfer.

CHAPTER 5

Miscellaneous transfers

EU and overseas transfers

165.—(1) This regulation applies in the case of a member whose transfer is subject to transfer arrangements concluded with—

- (a) the Communities Pension Scheme of the Institutions of the European Communities; or
- (b) any other scheme for the provision of retirement benefits established outside the United Kingdom.

(2) This scheme applies in relation to the member with any modifications the scheme manager considers necessary to comply with—

- (a) the terms of those arrangements;
- (b) any applicable provision contained in or made under any enactment; and
- (c) the requirements to be met by a registered pension scheme.

PART 11

Actuarial valuations and employer cost cap

Appointment of scheme actuary and actuarial valuations

166.—(1) The Scottish Ministers must appoint an individual (the “scheme actuary”) to provide a consulting service on actuarial matters in relation to this scheme and any connected scheme.

(2) The scheme actuary is responsible for—

- (a) carrying out valuations of this scheme and any connected scheme; and
- (b) preparing reports on the valuations.

(3) Before appointing an individual as scheme actuary the Scottish Ministers must be satisfied that the individual is appropriately qualified to carry out valuations of this scheme and any connected scheme in accordance with the Treasury directions.

(4) The scheme administrator is responsible for providing the scheme actuary with any data that the scheme actuary requires in order to carry out a valuation and prepare a report on the valuation.

(5) A valuation of this scheme and any connected scheme and the preparation of a report on the valuation must be carried out in accordance with the Treasury directions.

(6) Valuations of this scheme must be carried out within a time-frame which enables requirements in the Treasury directions regarding dates applicable to the valuation to be met.

Employer cost cap

167.—(1) The employer cost cap for this scheme is % of pensionable earnings of members of this scheme.

(2) In the circumstances specified in paragraph (4), the Scottish Ministers must consult such persons (or those appearing to the Scottish Ministers to represent such persons) as appear to the Scottish Ministers likely to be affected by any steps that will be taken, with a view to reaching agreement on the steps required to achieve the target cost for this scheme.

(3) If, following such consultation, agreement is not reached the percentage of the member’s pensionable earnings specified in regulation [] as the amount of earned pension for a scheme year must be adjusted for pensionable earnings after the date of the adjustment, so that the target cost for this scheme is achieved.

(4) The circumstances are that the cost of this scheme goes beyond the margin either side of the employer cost cap for this scheme specified in regulations under section 12(5)(a) of the Act.

(5) In this regulation—

“cost of this scheme” means the cost of this scheme calculated following a valuation in accordance with regulation []; and

“target cost for this scheme” means the target cost for this scheme specified in regulations under section 12(5)(b) of the Act.

PART 12
Supplementary
CHAPTER 1
Dual capacity members

Meaning of “dual capacity member”

- 168.**—(1) A person (P) is a dual capacity member of this scheme if—
- (a) P is a member of this scheme in 2 or more of the following capacities—
 - (i) an active member;
 - (ii) a deferred member;
 - (iii) a pensioner member;
 - (b) P is both a pension credit member of this scheme and a member of this scheme in one or more of the following capacities—
 - (i) an active member;
 - (ii) a deferred member;
 - (iii) a pensioner member;
 - (c) P is a member of this scheme in relation to 2 or more continuous periods of pensionable service; or
 - (d) P is a pension credit member of this scheme entitled to 2 or more pension credits.
- (2) For the purpose of paragraph (1)(a) or (b)—
- (a) in determining whether a person who is an active member is also a pensioner member, the fact that the person is an active member and the person’s rights in that capacity are to be disregarded; and
 - (b) in determining whether a person who is an active member or pensioner member is also a deferred member, the fact that the person is an active member or pensioner member and the person’s rights in that capacity are to be disregarded.

Payment of benefits to or in respect of a dual capacity member

- 169.**—(1) If a person is a dual capacity member of this scheme—
- (a) the benefits that are payable to or in respect of the member in each of the member’s capacities are treated separately for the purposes of these Regulations; and
 - (b) the amounts payable to or in respect of the member in each of the member’s capacities are determined accordingly.
- (2) In relation to payment of death benefits, paragraph (1) does not prevent the calculation under regulation [] (amount of lump sum death grant payable on death of active member) of a lump sum death grant payable on the death of an active member of this scheme being made by reference to amounts that are relevant to the member in another capacity.

CHAPTER 2
Payment of benefits: general

Late payment of retirement index adjustment

- 170.** Nothing in these Regulations requires any part of a pension attributable to a retirement index adjustment to be paid before the end of the last active scheme year.

Commutation of small pensions

171.—(1) This regulation applies if—

- (a) the pension entitlement of a single capacity member or the pension entitlement of a single capacity member's beneficiary does not exceed the small pensions commutation maximum; or
- (b) the total pension entitlement of a dual capacity member or the total pension entitlement of a dual capacity member's beneficiary does not exceed the small pensions commutation maximum.

(2) Unless the member has reached the member's state pension age, this regulation does not apply if—

- (a) the pension entitlement of the member or the member's beneficiary under paragraph (1)(a) is equal to or exceeds the member's guaranteed minimum; or
- (b) the total pension entitlement of the member or the member's beneficiary under paragraph (1)(b) is equal to or exceeds the member's guaranteed minimum.

(3) The scheme manager may pay the member or the member's beneficiary a lump sum of an amount advised by the scheme actuary as representing the cash value of the pension if—

- (a) the member or the member's beneficiary consents to receipt of a lump sum in place of the pension; and
- (b) the requirements of the commutation provisions that apply in the circumstances are met.

(4) The payment of a lump sum under this regulation in place of a pension discharges all liabilities under this scheme in respect of that pension.

(5) In this regulation—

“the commutation provisions” means the provisions permitting the commutation of pensions set out in—

- (a) regulation 19, 20 or 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996(a);
- (b) regulation 2 of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997(b);
- (c) paragraph 7 of Schedule 29 (authorised lump sums – supplementary) to FA 2004 (which defines trivial commutation lump sums for the purposes of Part 4 of that Act)(c) and, in relation to a pension payable under Part 8 (death benefits), paragraph 20 of that Schedule (which defines trivial commutation lump sum death benefit for the purposes of Part 4 of that Act)(d); and
- (d) regulation 3 of the Pension Sharing (Pension Credit Benefit) Regulations 2000(e);

“single capacity member” means a member of this scheme who is not a dual capacity member; and

“the small pensions commutation maximum” means the amount that is permitted to be commuted having regard to the commutation provisions that apply in the circumstances.

Guaranteed minimum pensions

172.—(1) If a member has a guaranteed minimum under section 14 of PSA 1993(a) (earner's guaranteed minimum) in relation to benefits under this scheme—

-
- (a) S.I. 1996/[].
 - (b) S.I. 1997/785. Regulation 2 was amended by S.I. 2002/681, 2005/706, 2006/744, 2006/778 and 2009/2930.
 - (c) Paragraph 7 was amended by Finance Act 2011 (c.11) Schedule 16 paragraphs 23 and 29 and Schedule 18 paragraphs 1, 3 and 4 and S.I. 2006/572.
 - (d) Paragraph 20 was amended by Finance Act 2011 (c. 11) Schedule 16 paragraphs 32 and 39 and Schedule 18 paragraphs 1, 3 and 6.
 - (e) S.I. 2000/1054. Regulation 3 was amended by S.I. 2009/2930.

- (a) nothing in these Regulations permits or requires anything that would cause requirements made by or under that Act in relation to such a member and such a member's rights under this scheme not to be met in the case of the member;
- (b) nothing in these Regulations prevents anything from being done which is necessary or expedient for the purposes of meeting such requirements in the case of the member; and
- (c) the following provisions are without prejudice to the generality of this paragraph.

(2) If apart from this regulation—

- (a) no pension would be payable to the member under this scheme; or
- (b) the weekly rate of the pensions payable would be less than the guaranteed minimum,

a pension at a weekly rate equal to the guaranteed minimum is payable to the member for life from the date on which the member reaches the member's state pension age or, as the case may be, pensions the aggregate weekly rate of which is equal to the guaranteed minimum are so payable.

(3) A pension is not payable under paragraph (2) to a member who has reached the member's state pension age and who continues in employment (whether or not it is eligible service) unless—

- (a) the member leaves that employment; and
- (b) if the employment is not eligible service, the member consents to a postponement of the member's entitlement under that paragraph.

This is subject to paragraph (4).

(4) If the member continues in employment for a further 5 years after reaching the member's state pension age and does not then leave employment, the member is entitled from the end of that period to so much of the member's pension under Parts 6 and 7 as equals the member's guaranteed minimum (or, as the case may be, to so much of the member's pensions under Parts 6 and 7 as together have a weekly rate equal to the member's guaranteed minimum), unless the member consents to a further postponement of the entitlement.

(5) In the circumstances provided for in paragraph (3) or (4), the amount of the guaranteed minimum to which the member is entitled under this regulation is increased in accordance with section 15 of PSA 1993 (increase of guaranteed minimum where commencement of guaranteed minimum pension postponed).

(6) If—

- (a) before reaching the member's state pension age, the member becomes entitled to the immediate payment of a pension; and
- (b) the member has a guaranteed minimum under section 14 of PSA 1993 in relation to the whole or part of a pension as a result of receipt by this scheme of a transfer payment from another pension scheme in respect of which the member had such a guaranteed minimum,

the weekly rate of the pension, so far as attributable to that service, must not be less than the guaranteed minimum, multiplied by such factor as is indicated in actuarial tables for a person of the member's age and sex at the date on which the pension becomes payable.

(7) This paragraph applies if a person has ceased to be in employment that is contracted-out employment, within the meaning of Part 3 of PSA 1993 (certification of pension schemes and effects on members' state scheme rights and duties), by reference to this scheme and either—

- (a) a transfer payment in respect of all the person's rights to benefits under this scheme, except the person's rights in respect of the person's guaranteed minimum or rights under section 9(2B) of PSA 1993(b)(requirements for certification of schemes: general) ("the person's contracting-out rights") has been made; or

(a) Section 14 was amended by the Pensions Act 1995 (c. 26) Schedule 5 paragraph 27 and Schedule 7 Part 3, the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) Schedule 1 paragraph 38 and the Proceeds of Crime Act 2002 (c. 29) Schedule 11 paragraphs 1 and 22.

(b) Subsection (2B) was inserted by the Pensions Act 1995 (c. 26) section 136(3) and amended by the Social Security Contributions (Transfer of Functions, etc.) Act 1999 Schedule 1 paragraph 35.

- (b) the person has no rights to benefits under this scheme apart from the person's contracting-out rights.

(8) If paragraph (7) applies—

- (a) from the date on which the person reaches the person's state pension age the person is entitled to a pension payable for life at a weekly rate equal to the person's guaranteed minimum, if any; and
- (b) from the date on which the person reaches normal pension age under this scheme the person is entitled to a lump sum and pension in respect of the person's rights under section 9(2B) of PSA 1993,

but a person falling within paragraph (7) is not to be regarded as a pensioner for the purposes of Part 8 (death benefits).

(9) Paragraphs (2) to (8) do not apply to—

- (a) a pension that is forfeited—
 - (i) as a result of a conviction for treason; or
 - (ii) under regulation [] (forfeiture: offences committed by members), in a case where the relevant offence within the meaning of that regulation is an offence under the Official Secrets Acts 1911 to 1989(a);
- (b) a pension that is commuted under regulation [] or [] (option to commute whole pension: serious ill-health); or
- (c) a pension that is commuted under regulation [] (commutation of small pensions) where the conditions in regulation 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996(b) (payment of a guaranteed minimum pension as a lump sum) are met,

but if any other provision of this scheme is inconsistent with this regulation, this regulation prevails.

(10) In this regulation, references to the amount of a pension are to its amount after the subtraction of the commutation amount (if any).

CHAPTER 3

Forfeiture and set-off

Pension supervising authority

173.—(1) For the purpose of this Chapter, the pension supervising authority is the Scottish Police Authority.

(2) The pension supervising authority may require the scheme manager to withhold benefits payable to a member under this Chapter.

Forfeiture: offences committed by members

174.—(1) If a member is convicted of a relevant offence, the pension supervising authority may, to the extent the pension supervising authority considers appropriate, require the scheme manager to withhold benefits payable under this scheme to or in respect of the member.

(2) Paragraph (3) applies if benefits are to be withheld as a result of an offence falling within paragraph (b) of the definition of “relevant offence”.

(3) The scheme manager may only withhold that part of a person's pension that exceeds any guaranteed minimum to which the person is entitled under—

- (a) section 14 of PSA 1993 (earner's guaranteed minimum); or

(a) 1989 c.6; see section 16(2) for the meaning of “Official Secrets Acts 1911 to 1989”.

(b) S.I. 1996/1172. Regulation 162 was substituted by S.I. 2006/744 and amended by S.I. 2006/1337, 2009/2930 and 2010/499.

(b) section 17(a) of that Act (minimum pension for surviving spouses and civil partners).

(4) In this regulation—

“forfeiture certificate” means a certificate stating that the Scottish Ministers consider that the offence—

(a) has been gravely injurious to the interests of the State; or

(b) is liable to lead to serious loss of confidence in the public service; and

“relevant offence” means—

(a) one or more offences under the Official Secrets Acts 1911 to 1989(b) for which the member has been sentenced on the same occasion to—

(i) a term of imprisonment of at least 10 years; or

(ii) 2 or more consecutive terms of imprisonment which add up to at least 10 years;

(b) an offence committed in connection with service as a public servant and in respect of which the Scottish Ministers have issued a forfeiture certificate.

Forfeiture: offences committed by a member’s beneficiary

175.—(1) If the beneficiary of a deceased member of this scheme (D) is convicted of a relevant criminal offence, the pension supervising authority may, to the extent the pension supervising authority considers appropriate, require the scheme manager to withhold benefits payable to the beneficiary in respect of D.

(2) The scheme manager may withhold benefits but may only withhold that part of a pension that exceeds any guaranteed minimum to which the beneficiary is entitled under section 17 of PSA 1993.

(3) If the scheme manager withholds all of the benefits payable to a beneficiary, Part 8 (death benefits) applies as if the beneficiary had died before D.

(4) In this regulation, “relevant criminal offence” means—

(a) the murder of D;

(b) the culpable homicide of D; or

(c) any other offence of which the unlawful killing of D is an element.

Forfeiture: relevant monetary obligations and relevant monetary losses

176.—(1) If a member (P) owes a relevant monetary obligation or has caused a relevant monetary loss, the pension supervising authority may, to the extent the pension supervising authority considers appropriate, require the scheme manager to withhold benefits payable to P under this scheme.

(2) The scheme manager may withhold benefits but may only withhold that part of P’s pension that exceeds any guaranteed minimum to which P is entitled under section 14 of PSA 1993.

(3) The scheme manager may not withhold more than the lesser of—

(a) the amount of the relevant monetary obligation or relevant monetary loss; and

(b) the value of P’s entitlement to benefits.

(4) The scheme manager may only withhold benefits if—

(a) there is no dispute as to the amount of the relevant monetary obligation or relevant monetary loss; or

(a) Section 17 was amended by the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) Schedule 1 paragraph 39; the Child Support, Pensions and Social Security Act 2000 (c. 19) Schedule 5 paragraph 1 and Schedule 9 Part 3; the Pensions Act 2004 (c. 35) section 284(2); the Pensions Act 2007 (c. 22) section 14(2); the Marriage (Same Sex Couples) Act 2013 (c. 30) Schedule 4 paragraphs 18 and 20; and S.I. 2005/2050 and 2014/560.

(b) 1989 c. 6; see section 16(2) for the meaning of “Official Secrets Acts 1911 to 1989”.

- (b) the relevant monetary obligation or relevant monetary loss is enforceable as follows—
 - (i) under an order of a competent court; or
 - (ii) in consequence of an award of an arbiter.
- (5) In this regulation—
 - “relevant monetary obligation” means a monetary obligation which—
 - (a) was incurred to the Crown or P’s employer (if different);
 - (b) was incurred after P became an active member of this scheme;
 - (c) arose out of P’s criminal, negligent or fraudulent act or omission; and
 - (d) arose out of or was connected with the eligible service in respect of which P is a member of this scheme; and
 - “relevant monetary loss” means a monetary loss which—
 - (a) was caused to this scheme; and
 - (b) arose as a result of P’s criminal, negligent or fraudulent act or omission.

Set-off

177.—(1) The pension supervising authority may require the scheme manager to set off a relevant monetary obligation against a member’s entitlement to benefits under this scheme.

(2) In this regulation, a “relevant monetary obligation” is a monetary obligation owed by a member (P), which satisfies the conditions in paragraph (3), (4) or (5).

- (3) The conditions are that the monetary obligation—
 - (a) was incurred to the Crown or P’s employer (if different);
 - (b) was incurred after P became an active member of this scheme; and
 - (c) arose out of or was connected with the eligible service in respect of which P is a member of this scheme.
- (4) The conditions are that the monetary obligation—
 - (a) was incurred to this scheme; and
 - (b) arose out of P’s criminal, negligent or fraudulent act or omission.
- (5) The conditions are that the monetary obligation—
 - (a) was incurred to this scheme; and
 - (b) arose out of a payment made to P in error by the scheme manager.

(6) Paragraph (7) applies if a set-off is to be applied as a result of P owing a relevant monetary obligation which satisfies the conditions in paragraph (3).

(7) Where this paragraph applies, the scheme manager may not apply a set-off against that part of P’s entitlement to benefits that represents transfer credits within the meaning of section 124(1) of PA 1995(a)(interpretation of Part 1) (other than prescribed transfer credits for the purposes of section 91(5)(d) of PA 1995(b) (exceptions from the inalienability of occupational pensions).

(8) The scheme manager may only apply a set-off against that part of a member’s pension that exceeds any guaranteed minimum to which the member is entitled under section 14 of PSA 1993.

- (9) The value of the set-off applied must not exceed the lesser of—
 - (a) the amount of the relevant monetary obligation; and
 - (b) the value of P’s entitlement to benefits.

(a) Section 124(1) was amended by the Welfare Reform and Pensions Act 1999 (c. 30) Schedule 12 paragraphs 43 and 61, the Child Support, Pensions and Social Security Act 2000 (c. 19) Schedule 5 paragraph 8, the Pensions Act 2004 section 7(2), Schedule 12 paragraphs 34, 43 and 69 and Schedule 13 Part 1 and S.I. 2005/2053, 2006/745 and 2014/560.

(b) Section 91(5)(d) was amended by the Welfare Reform and Pensions Act 1999 (c. 30) Schedule 12 paragraphs 43 and 57. See S.I. 1997/785 which prescribes the transfer credits.

(10) The scheme manager may only set off a relevant monetary obligation against P's entitlement to benefits if—

- (a) there is no dispute as to the amount of the relevant monetary obligation; or
- (b) the relevant monetary obligation is enforceable—
 - (i) under an order of a competent court; or
 - (ii) in consequence of an award of an arbiter.

Forfeiture and set-off: procedure and appeals

178.—(1) If the pension supervising authority proposes to require the scheme manager to withhold benefits or apply a set-off against a person's entitlement to benefits, the pension supervising authority must notify the person of the proposal in writing.

(2) If the scheme manager withholds benefits under regulation [] (forfeiture: relevant monetary obligations and relevant monetary losses) or applies a set-off against an entitlement to benefits under regulation [] (set-off), the scheme manager must give the member a certificate showing—

- (a) the amount withheld or set off; and
- (b) the effect of the withholding or set-off on the member's benefits under this scheme.

(3) If the pension supervising authority proposes to require the scheme manager to withhold any benefits payable to or in respect of a member, the member or the member's beneficiary may, subject to regulation [68] (limitations on appeals), appeal against the proposal to the sheriff.

(4) On an appeal made under paragraph (3), the sheriff may—

- (a) confirm or reject the proposal; or
- (b) amend the proposal so as to reduce the extent to which the benefits are withheld.

(5) The scheme manager must comply with any order made by the sheriff.

CHAPTER 4

Payment and deduction of tax

Scheme manager to be scheme administrator for purposes of Part 4 of Finance Act 2004

179. The scheme manager is appointed to be responsible for all functions that are functions conferred or imposed on the scheme administrator by or under Part 4 of FA 2004 (pension schemes etc).

Payment on behalf of members of lifetime allowance charge

180.—(1) A member of this scheme may request the scheme manager to pay on the member's behalf any amount that is payable by way of the lifetime allowance charge under section 214 of FA 2004 ("the amount") if—

- (a) an event that is a benefit crystallisation event ("the event") listed in the table in section 216(1) of FA 2004(a) occurs in relation to the member; and
- (b) the member and the scheme manager are jointly and severally liable in relation to the event.

(2) A request may only be made by notice given to the scheme manager before the event occurs.

(3) The scheme manager may only comply with a request if the member pays the amount to the scheme manager on or before the date on which the event occurs.

(a) Section 216(1) was amended by the Finance Act 2005 (c.7) Schedule 10 paragraphs 1, 31 and 42; the Finance Act 2006 (c.25) Schedule 23 paragraphs 1 and 30; the Finance Act 2008 (c.9) Schedule 29 paragraphs 1, 4 and 5; and the Finance Act 2011(c.11) Schedule 16 paragraphs 43, 62, 73 and 104.

Reduction of benefits where lifetime allowance charge payable

181.—(1) This regulation applies if—

- (a) an event that is a benefit crystallisation event (“the event”) listed in the table in section 216(1) of FA 2004 (“the table”) occurs in relation to a member;
- (b) the member and the scheme manager are jointly and severally liable in relation to the event; and
- (c) no request has been duly made under regulation [] (payment on behalf of members of lifetime allowance charge) in relation to the event or, if such a request has been made, the scheme manager is prevented from complying with it by paragraph (3) of that regulation.

(2) If this regulation applies—

- (a) the scheme manager must pay the tax payable on the event;
- (b) if the event is benefit crystallisation event 8 in the table (transfer to qualifying recognised overseas pension scheme), the amount or value of the sums or assets transferred must be reduced; and
- (c) in the case of any other event in the table, the amount or value of the benefits payable to or in respect of the member must be reduced.

(3) The amount or value of the reduction—

- (a) must fully reflect the amount of the tax so paid;
- (b) must be determined in accordance with guidance provided by the scheme manager; and
- (c) in the case of any reduction to pension benefits, must be consistent with normal actuarial practice.

Information about payment of annual allowance charge

182.—(1) If a member’s pension scheme input amount for this scheme for a tax year exceeds the amount of the annual allowance for that tax year, paragraph (2) applies in respect of the member for that tax year.

(2) The scheme manager must, no later than 31st July after the end of the tax year, provide the member with any information the scheme manager considers appropriate to assist the member to arrange payment of the annual allowance charge for that tax year.

(3) In this regulation, “pension scheme input amount” has the same meaning as in section 237B(2) of FA 2004(a) (liability of scheme administrator).

Reduction of benefits where annual allowance charge paid by scheme manager

183.—(1) This regulation applies where—

- (a) a member gives valid notice to the scheme manager of joint and several liability for an annual allowance charge under section 237B(3) of FA 2004; and
- (b) the scheme manager satisfies the liability specified in the notice.

(2) The amount or value of the benefits payable to or in respect of the member for the tax year to which the notice relates must be reduced by the scheme manager in accordance with paragraph (3).

(3) Subject to paragraph (4), the amount or value of the reduction of benefits—

- (a) must fully reflect the amount paid by the scheme manager; and
- (b) must be consistent with normal actuarial practice.

(a) 2004 c. 12; section 237B was inserted by the Finance Act 2011 (c. 11), Schedule 17, paragraph 15 and was amended by the Finance Act 2013 (c. 29), Schedule 46, paragraphs 119 and 129.

(4) Benefits may only be reduced under this regulation to the extent that the reduction would not result in the loss of any part of a guaranteed minimum pension to which a person is entitled under sections 14 (earner's guaranteed minimum) or 17 (minimum pension for surviving spouses and civil partners) of PSA 1993.

CHAPTER 5

General

General prohibition on unauthorised payments

184. Nothing in these Regulations requires or authorises the making of any payment, which, if made, would be an unauthorised payment for the purposes of Part 4 of FA 2004 (pension schemes etc.) (see section 160(5) of that Act).

Calculation of periods of membership and service

185.—(1) For the purposes of this scheme, periods of membership and service are to be expressed in the first instance in whole years, and days and fractions of a day, and the initial aggregation of periods that require to be aggregated is done in the first instance by reference to periods so expressed.

This is subject to paragraph (3).

(2) If, when all periods of membership or service that require to be aggregated have been aggregated, there is any excess part day over the number of whole days, that excess is rounded up to a full day.

This is subject to paragraph (3).

(3) If membership or service is referred to in these Regulations as membership or service in years—

- (a) the days referred to in paragraph (1); and
- (b) the full days referred to in paragraph (2),

are converted into years by dividing the number of days in excess of the period of whole years by 365, and using the result to 4 decimal places.

(4) If a period of membership or service is less than one year, this regulation applies as if the words “whole years, and” were omitted from paragraph (1) and the words “in excess of the period of whole years” were omitted from paragraph (3).

Determination of questions

186. Except as otherwise provided by these Regulations, any question arising under this scheme is to be determined by the scheme manager, whose decision on it is final.

Appeals to the scheme manager

187.—(1) An appeal lodged with the scheme manager under regulation [] must—

- (a) be made by notice in writing; and
- (b) specify the grounds of appeal.

(2) The scheme manager, on receiving a notice of appeal, must appoint an appeal tribunal (“the tribunal”) to hear the appeal.

(3) The tribunal must consist of 3 persons including—

- (a) an advocate or solicitor of not less than 7 years' standing who must be appointed as chair;
- (b) a former member of a police force who before leaving the police force held a rank not below Superintendent.

(4) The tribunal must—

- (a) determine the time and place of the hearing and of any postponed or adjourned hearing; and
 - (b) give reasonable notice of those details to the appellant and to the scheme manager (“the parties”).
- (5) Either party may—
- (a) be represented before the tribunal by an advocate, a solicitor or any other person the party considers appropriate;
 - (b) adduce evidence; and
 - (c) cross-examine witnesses.
- (6) The tribunal must determine its own procedure but—
- (a) the tribunal must have regard to the practice of the sheriff that applies to an appeal under regulation [66]; and
 - (b) the rules of evidence that apply to an appeal under that regulation apply to an appeal under this regulation.
- (7) The tribunal, after hearing and determining the appeal, may make any order as appears to it just.
- (8) The order must state the reasons for the decision and each of the parties must be given a copy.
- (9) Either party may appeal to the sheriff on any point of law arising from a decision of the tribunal under this regulation.

Limitations on appeals

188. A person may not appeal under regulation [66] (appeal by a member of the police force) or [67] (appeal by any other member of a police force) against anything done by the scheme manager under a power conferred by these Regulations which is expressly stated to be a power in respect of which the scheme manager may exercise a discretion.

Evidence of entitlement

189.—(1) The scheme manager may require any person who is receiving a pension under this scheme to provide evidence to establish—

- (a) the person’s identity; and
- (b) the person’s continuing entitlement to payment of any amount.

(2) If the person does not provide the required evidence, the scheme manager may withhold the whole or any part of any benefits payable under this scheme in respect of the person.

Provision of benefit information statements to members

190. The scheme manager must provide benefit information statements to each active member of this scheme in accordance with—

- (a) section 14 of the Act (information about benefits); and
- (b) Treasury directions given under that section.

Transitional provisions

191. Schedule 3 (transitional provisions) has effect.

St Andrews House,
Edinburgh

2014

SCHEDULE 1

Regulation []

Payments for extra pension

PART 1

General

Interpretation

1. In this Schedule—

“added pension option” means the option to make added pension payments;

“amount of accrued added pension” means the total of—

(a) the amount of accrued added (self only) pension (if any); and

(b) the amount of accrued added (all beneficiaries) pension (if any);

“amount of extra pension” has the meaning given in paragraph 2;

“appropriate pay period” means the pay period that the scheme manager considers appropriate;

“overall limit of extra pension” has the meaning given in paragraph 3;

“periodical payment period” means the period for which periodical payments for added pension are payable;

“period of service”, in relation to this scheme, means a continuous period of pensionable service under this scheme;

“the relevant day”, in relation to a lump sum payment for added pension, means—

(a) if the scheme manager provides a statement of the amount of added pension, the first day after the period of one month beginning with the date of the statement; or

(b) otherwise, the day on which the lump sum payment is received by the scheme manager;

“the relevant scheme year” means the scheme year in which the relevant day falls;

“statement of the amount of added pension” means the statement referred to in paragraph 17; and

“unpaid leave option” means the option to make payments equivalent to the amount of contributions in respect of any period of unpaid leave specified in Part 3 of this Schedule.

Meaning of “amount of extra pension”

2. The amount of extra pension at any given time is the sum of—

(a) the amount of accrued added pension at that time; and

(b) the amount of accrued earned pension attributable to an unpaid leave option.

Meaning of “overall limit of extra pension”

3.—(1) The overall limit of extra pension is—

- (a) £6,500 for any scheme year ending before 1st April 2016; and
- (b) for any scheme year beginning on or after 1st April 2016—
 - (i) the overall limit of extra pension determined by the Treasury in respect of that scheme year as published before the start of that scheme year; or
 - (ii) if no such determination is made, the amount calculated under sub-paragraph (2).

(2) The amount is the amount to which the annual rate of a pension of an amount equal to the overall limit of extra pension for the previous scheme year would have been increased under PIA 1971 if—

- (a) that pension were eligible to be so increased; and
- (b) the beginning date for that pension were the first day of the previous scheme year.

Amount of accrued added pension may not exceed overall limit of extra pension

4.—(1) At any given time, the total amount of accrued added pension in the active member’s account may not exceed the overall limit of extra pension.

(2) If a member has opted to make periodical payments for added pension under this scheme, the scheme manager may by notice to the member cancel the added pension option if it appears to the scheme manager that the overall limit of extra pension will be exceeded if the member continues to make the periodical payments.

(3) If the scheme manager cancels the option, the periodical payments cease to be payable from the next pay period beginning after the date specified in the notice of cancellation.

(4) For the purpose of this paragraph, “amount of accrued added pension” does not include any amount attributable to a lump sum payable to a member under a compensation scheme.

Refund of overpayments

5. The scheme manager must refund to a member the amount of any payment for extra pension made by the member that results in the overall limit of extra pension being exceeded.

PART 2

Payments for added pension

CHAPTER 1

Exercising the added pension option

Added pension option exercisable by member

6.—(1) An active member of this scheme may opt to make added pension payments to increase—

- (a) the member’s retirement benefits^(a) for a period of service; or
- (b) the member’s retirement benefits and death benefits payable in respect of the member for a period of service.

(2) A member may exercise the added pension option by notice to the scheme manager in a form required by the scheme manager (“the option notice”).

(a) Added pension which increases the member’s retirement benefits is payable to the member as part of the member’s full retirement pension in accordance with the provisions of Part 6 of these Regulations.

- (3) The option notice must state whether the added pension payments are to be made by—
- (a) periodical payments; or
 - (b) a lump sum payment.
- (4) If the whole or part of any lump sum payable to the member under a compensation scheme is to be used as a lump sum payment for added pension the option notice must specify this.
- (5) A member may exercise the added pension option more than once but an option to make a lump sum payment for added pension may only be exercised once in any scheme year.
- (6) An option to make a lump sum payment for added pension may only be exercised if the member—
- (a) has been an active member of this scheme in relation to a continuous period of pensionable service for at least 12 months; and
 - (b) has been provided with a statement of the amount of added pension (if paragraph 17 applies).

CHAPTER 2

Periodical payments for added pension

Application of Chapter

7. This Chapter applies in relation to an active member of this scheme who opts to make periodical payments for added pension under this scheme.

Member's option to make periodical payments for added pension

- 8.—(1) The option notice must specify—
- (a) the periodical payment period; and
 - (b) the amount of the periodical payment to be deducted by the member's employer from the member's pensionable earnings in each pay period.
- (2) The amount of the periodical payment may be expressed as—
- (a) a percentage of the member's pensionable earnings; or
 - (b) a fixed sum.
- (3) The amount of the periodical payment must not be less than any minimum amount determined by the scheme manager.

Cancellation of option by member

- 9.—(1) The member may, by notice to the scheme manager, cancel the option at any time during the periodical payment period.
- (2) If the member cancels the option, the periodical payments cease to be payable from the beginning of the next scheme year after the scheme manager receives the notice of cancellation.

Periodical payments

- 10.—(1) The periodical payments are payable by deduction by the member's employer from the member's pensionable earnings during the periodical payment period.
- (2) The periodical payment period—
- (a) begins with—
 - (i) if the member exercises the option within 3 months after joining this scheme, the first appropriate pay period beginning on or after the date on which the scheme manager receives the option notice; or

- (ii) in any other case, the first appropriate pay period of the scheme year beginning on or after the date on which the scheme manager receives the option notice; and
- (b) ends on the earlier of—
 - (i) the date on which the member ceases to be an active member of this scheme; and
 - (ii) the date specified in the option notice.
- (3) Subject to sub-paragraph (4), during a period of assumed pay the member may—
 - (a) stop the periodical payments; or
 - (b) continue the periodical payments as if the member were receiving pensionable earnings at the full rate.
- (4) During any period in which the member is receiving [statutory maternity pay within the meaning of the Social Security Contributions and Benefits Act 1992(a)] [statutory pay] or is on paid maternity leave, paid adoption leave, paid maternity support leave or paid adoption support leave, the member may—
 - (a) stop the periodical payments; or
 - (b) make periodical payments of an amount determined by reference to the member's actual pay during that period.
- (5) If a member stops the periodical payments during a period of assumed pay, the member may, by notice to the scheme manager in a form required by the scheme manager, resume the periodical payments in the next pay period after the period of assumed pay ends.

Amount of added (self only) pension for a scheme year (periodical payments)

- 11.**—(1) This paragraph applies in relation to each scheme year during which a member makes periodical payments to increase the member's retirement benefits only.
- (2) An amount of added (self only) pension is credited to the active member's account for that scheme year.
- (3) The amount is determined by the scheme manager by reference to actuarial tables, having regard to the cost in the scheme year of providing retirement benefits to a person of the member's age and gender.

Amount of added (all beneficiaries) pension for a scheme year (periodical payments)

- 12.**—(1) This paragraph applies in relation to each scheme year during which a member makes periodical payments to increase—
- (a) the member's retirement benefits; and
 - (b) death benefits payable in respect of the member.
- (2) An amount of added (all beneficiaries) pension is credited to the active member's account for that scheme year.
- (3) The amount is determined by the scheme manager by reference to [published] actuarial tables, having regard to the cost in the scheme year of providing retirement benefits to—
- (a) a person of the member's age; and
 - (b) dependants of a person of that age.

(a) 1992 c. 4.

CHAPTER 3

Lump sum payments for added pension made by member

Application of Chapter

13. This Chapter applies in relation to an active member of this scheme who opts to make a lump sum payment for added pension under this scheme.

Member's option to make a lump sum payment for added pension

14.—(1) The option notice must specify the amount of the lump sum which must not be less than any minimum amount determined by the scheme manager.

(2) The lump sum is payable immediately to the scheme manager by deduction by the member's employer from the member's pensionable earnings or otherwise.

Payment by lump sum from a compensation scheme

15.—(1) This paragraph applies if the member specifies in the option notice that the whole or part of any lump sum payable to the member under a compensation scheme is to be used as a lump sum payment for added pension.

(2) The member's employer may make a lump sum payment for added pension in relation to the member using the whole or part of the lump sum as specified in the option notice.

Statement of amount of added pension

16.—(1) If the scheme manager so requires, the member before exercising the option must ask the scheme manager to provide a statement of the amount of added pension.

(2) A statement of the amount of added pension must set out the amount that would be credited to the active member's account if the lump sum is received by the scheme manager within one month after the date of the statement.

(3) The statement must also—

- (a) specify the overall limit of extra pension; and
- (b) inform the member if it appears to the scheme manager that the overall limit of extra pension would be exceeded if the active member's account is credited with the amount of added pension set out in the statement.

Amount of added (self only) pension (lump sum payment)

17.—(1) This paragraph applies if a member opts to make a lump sum payment to increase the member's retirement benefits only.

(2) Following payment of the lump sum by the member, an amount of added (self only) pension is credited to the active member's account for the relevant scheme year.

(3) The amount credited to the account is—

- (a) if the scheme manager has provided a statement of the amount of added pension and the lump sum is received by the scheme manager within one month after the date of the statement, the amount specified in the statement; or
- (b) otherwise, an amount determined by the scheme manager by reference to [published] actuarial tables, having regard to—
 - (i) the amount of the lump sum;
 - (ii) the cost as at the relevant day of providing retirement benefits to a person of the member's age and gender;
 - (iii) factors relating to the member's circumstances as at the relevant day; and

- (iv) any other factors as at the date of the statement of the amount of added pension to which the scheme actuary considers regard should be had.

Amount of added (all beneficiaries) pension (lump sum payment)

18.—(1) This paragraph applies if a member opts to pay a lump sum to increase—

- (a) the member's retirement benefits; and
- (b) death benefits payable in respect of the member.

(2) On payment of the lump sum by the member an amount of added (all beneficiaries) pension is credited to the active member's account in the relevant scheme year.

(3) The amount credited to the account is—

- (a) if the scheme manager has provided a statement of the amount of added pension and the lump sum is received by the scheme manager within one month after the date of the statement, the amount specified in the statement; or
- (b) otherwise, an amount determined by the scheme manager by reference to [published] actuarial tables, having regard to—
 - (i) the amount of the lump sum;
 - (ii) the cost as at the relevant day of providing retirement benefits to a person of the member's age and dependants of a person of that age;
 - (iii) factors relating to the member's circumstances as at the relevant day; and
 - (iv) any other factors as at the date of the statement of the amount of added pension to which the scheme actuary considers regard should be had.

PART 3

Payments for unpaid leave

Application of this Part

19.—(1) This Part applies in respect of an active member of this scheme who returns from a period of—

- (a) unpaid adoption leave;
- (b) unpaid maternity leave;
- (c) unpaid parental leave;
- (d) unpaid shared parental leave
- (e) unpaid maternity support leave;
- (f) unpaid adoption support leave;
- (g) unpaid sick leave not exceeding 12 months.

(2) The member may opt to make payments equivalent to the amount of contributions that would have been payable for the period of leave.

Exercising the unpaid leave option

20.—(1) A member may exercise the unpaid leave option by notice to the scheme manager in a form required by the scheme manager ("the option notice").

(2) The option must be exercised by the earlier of—

- (a) the end of the 3 month period beginning with the member returning to work; and
- (b) the member's last day of pensionable service under this scheme.

(3) The scheme manager must calculate the amount payable and give the member a notice stating that amount.

(4) For the purpose of calculating the amount payable, the annual rate of the member's pensionable earnings is taken to be the rate that applied at the beginning of the period of unpaid leave.

Payments

21.—(1) The member must pay the full amount to the scheme manager within 6 months after receiving the notice from the scheme manager (“payment period”).

(2) If the member leaves eligible service before the full amount is paid, the member must pay the balance within 2 months of leaving eligible service, as long as this falls within the payment period.

(3) The amount may be paid by—

(a) a lump sum payment made by the member; or

(b) instalments deducted from the member's pensionable earnings by the member's employer.

(4) If the full amount is not paid by the end of the payment period, the scheme manager must determine the period of unpaid leave in respect of which the member was taken to be in pensionable service.

(5) If the member dies within the payment period, the member is taken to have paid the full amount.

SCHEDULE 2

Regulation []

Progressive medical conditions

The progressive medical conditions mentioned in regulation [] are—

AIDS

Alzheimer's disease;

Cancer;

Creutzfeld-Jacob disease;

Huntington's chorea;

Motor neurone disease;

Multiple sclerosis;

Nieman Pick disease;

Non-variant Creutzfeld-Jacob disease;

Parkinson's disease; and

Variant Creutzfeld-Jacob disease.

Transitional provisions

PART 1

General

Interpretation**1. In this Schedule—**

“the 2007 Regulations” means the Police Pensions (Scotland) Regulations 2007(a);

“the 1987 scheme” means the scheme constituted by the Police Pensions Regulations 1987(b);

“the 2006 scheme” means the scheme constituted by the 2007 Regulations;

“1987 transition member” means a person—

(a) who is a member of the 1987 scheme by virtue of his or her pensionable service under that scheme before the transition date; and

(b) who is a member of this scheme by virtue of his or her pensionable service under this scheme;

“2006 transition member” means a person—

(a) who is a member of the 2006 scheme by virtue of his or her pensionable service under that scheme before the transition date; and

(b) who is a member of this scheme by virtue of his or her pensionable service under this scheme;

“closing date”, in relation to a transition member, means—

(a) if the member is a tapered protection member of the existing police pension scheme, the tapered protection closing date for that member; or

(b) if the member is not a protected member of the existing police pension scheme, the scheme closing date;

“the 2015 NI police pension scheme” means a scheme established under the Public Service Pensions Act (Northern Ireland) 2014(c) for payment of retirement pensions to or in respect of members of the police service in Northern Ireland which comes into force on 1st April 2015;

“continuity of service”—

(a) for a 1987 transition member, has the meaning given in paragraph 2;

(b) for a 2006 transition member, has the meaning given in paragraph 3;

“continuous period of pensionable service”, in relation to an existing scheme, means a period of pensionable service under that scheme disregarding any gap in pensionable service not exceeding 5 years;

“exception” means an exception to section 18(1) of the Act;

“the existing NI police pension scheme”—

(a) for the purpose of determining if a person is a protected member of the 1987 scheme, has the meaning given in paragraph 5;

(b) for the purpose of determining if a person is a protected member of the 2006 scheme, has the meaning given in paragraph 6;

(a) S.S.I. 2007/201.

(b) S.I. 1987/257.

(c) 2014 c. 2.

“the existing police pension scheme” means—

- (a) the 1987 scheme; or
- (b) the 2006 scheme;

“full protection member”, in relation to the existing NI police pension scheme, means a member who is entitled to be provided with benefits under that scheme in respect of the member’s service during the period beginning on 1st^t April 2015 and ending when the member retires;

“full protection member”, in relation to the existing police pension scheme, has the meaning given in paragraph [];

“last day of pensionable service”, in relation to the existing police pension scheme, means the last day of a continuous period of pensionable service under that scheme;

“pensionable service”, in relation to the existing NI police pension scheme, means service which is pensionable under that scheme;

“protected member”, in relation to the existing police pension scheme, means a full protection member or tapered protection member of that scheme;

“protection period”—

- (a) for a full protection member of the 1987 scheme, has the meaning given in paragraph [];
- (b) for a full protection member of the 2006 scheme, has the meaning given in paragraph [];
- (c) for a tapered protection member of the 1987 scheme, has the meaning given in paragraph [];
- (d) for a tapered protection member of the 2006 scheme, has the meaning given in paragraph [];

“qualifying service”, in relation to the 1987 scheme, means the years of pensionable service the member is entitled to reckon under that scheme (this includes any transferred-in service before 1st April 2015 and, in accordance with paragraph 8 of Part 4 of Schedule J, part-time service is reckoned as full-time service);

“tapered protection closing date”, in relation to a tapered protection member of the existing police pension scheme, has the meaning given in paragraph 4;

“tapered protection member”, in relation to the existing NI police pension scheme, means a member who is entitled to be provided with benefits under that scheme in respect of the member’s service during the period beginning on 1st^t April 2015 and ending when the member enters pensionable service under the 2015 NI police pension scheme;

“tapered protection member”—

- (a) in relation to the 1987 scheme, has the meaning given in paragraph [];
- (b) in relation to the 2006 scheme, has the meaning given in paragraph [];

“transition date”, in relation to a transition member, means—

- (a) if the member is a tapered protection member of the existing police pension scheme, the day after the tapered protection closing date for that member;
- (b) if the member is not a protected member of that scheme, the day after the scheme closing date;

“transition member” means—

- (a) a 1987 transition member; or
- (b) a 2006 transition member.

Continuity of service (1987 transition members)

2.—(1) A 1987 transition member (T) has continuity of service unless T’s pensionable service under the 1987 scheme and T’s pensionable service under this scheme is separated by a gap in service exceeding 5 years which—

- (a) begins on or before T’s transition date; and
 - (b) ends on the day on which T becomes an active member of this scheme.
- (2) For the purpose of sub-paragraph (1), T is not on a gap in service after the scheme closing date while—
- (a) T is in pensionable service under an existing scheme;
 - (b) T is in service which is pensionable under the scheme constituted by the Royal Ulster Constabulary Pensions Regulations 1988;
 - (c) T is in pensionable service under a scheme under section 1 of the Act providing for payment of retirement pensions; or
 - (d) T is in pensionable service under the 2015 NI police pension scheme.

Continuity of service (2006 transition members)

3.—(1) For the purpose of this Schedule, a 2006 transition member (T) has continuity of service unless T’s pensionable service under the 2006 scheme and T’s pensionable service under this scheme is separated by a gap in service exceeding 5 years which—

- (a) begins on or before T’s transition date; and
- (b) ends on the day on which T becomes an active member of this scheme.

(2) For the purpose of sub-paragraph (1), T is not on a gap in service after the scheme closing date while—

- (a) T is in pensionable service under an existing scheme;
- (b) T is in service which is pensionable under the scheme constituted by—
 - (i) the Police Pension (Northern Ireland) Regulations 2009; or
 - (ii) the Police Pensions Regulations 2007;
- (c) T is in pensionable service under a scheme under section 1 of the Act providing for payment of retirement pensions; or
- (d) T is in pensionable service under the 2015 NI police pension scheme.

Meaning of “tapered protection closing date”

4.—(1) The tapered protection closing date for a tapered protection member of the existing police pension scheme is a date between 31st May 2015 and 31st January 2022 (inclusive) determined by the scheme manager by reference to a table published for that purpose.

(2) If a tapered protection member falls within more than one sub-paragraph in a paragraph in Part 4 or 5, the scheme manager must determine the tapered protection closing date by reference to the table which provides the latest tapered protection closing date.

Protected member of the 1987 scheme

5.—(1) This paragraph applies for the purpose of determining whether a person (P) is a protected member of the 1987 scheme.

(2) The scheme manager must determine as required under Parts 2 to 5 whether on a given date P is an active member of—

- (a) the 1987 scheme; or
- (b) the existing NI police pension scheme.

(3) For the purpose of sub-paragraph (2), a person (P) is an active member of a scheme on a given date if on that date—

- (a) P is in pensionable service under that scheme; or
- (b) P is on a gap in service not exceeding 5 years.

(4) P is not on a gap in service after the scheme closing date while—

- (a) P is in pensionable service under an existing scheme apart from the 2006 scheme;
- (b) P is in service which is pensionable under the existing NI police pension scheme;
- (c) P is in pensionable service under a scheme under section 1 of the Act providing for payment of retirement pensions; or
- (d) P is in pensionable service under the 2015 NI police pension scheme.

(5) For the purpose of this paragraph, “existing NI police pension scheme” means the scheme constituted by the Royal Ulster Constabulary Pensions Regulations 1988.

Protected member of the 2006 scheme

6.—(1) This paragraph applies for the purpose of determining whether a person (P) is a protected member of the 2006 scheme.

(2) The scheme manager must determine as required under Parts 2 to 5 whether, on a given date, P is an active member of one of the following schemes—

- (a) the 2006 scheme;
- (b) any other existing scheme apart from the 1987 scheme;
- (c) the existing NI police pension scheme.

(3) For the purpose of sub-paragraph (2), P is an active member of a scheme on a given date if on that date—

- (a) P is in pensionable service under that scheme; or
- (b) P is on a gap in service not exceeding 5 years.

(4) P is not on a gap in service after the scheme closing date while—

- (a) P is in pensionable service under an existing scheme apart from the 1987 scheme;
- (b) P is in service which is pensionable under the existing NI police pension scheme;
- (c) P is in pensionable service under a scheme under section 1 of the Act providing for payment of retirement pensions; or
- (d) P is in pensionable service under the 2015 NI police pension scheme.

(5) For the purpose of this paragraph, “existing NI police pension scheme” means the scheme constituted by—

- (a) the Police Pension (Northern Ireland) Regulations 2009; or
- (b) the Police Pensions Regulations 2007.

Becoming an active member of this scheme

7.—(1) A transition member with continuity of service (T) becomes an active member of this scheme—

- (a) if T is in pensionable service on the transition date, on that date; or
- (b) if T is not in pensionable service on the transition date, when T re-enters pensionable service after that date.

(2) A transition member who does not have continuity of service becomes an active member of this scheme when the member re-enters pensionable service on or after the transition date.

PART 2

Exceptions for full protection members of the 1987 scheme

Meaning of “full protection member” (the 1987 scheme)

8.—(1) A person (P) to whom any of paragraphs [] to [] applies is a full protection member of the 1987 scheme.

(2) P ceases to be a full protection member of the 1987 scheme on P’s last day of pensionable service under that scheme.

Active member of the 1987 scheme on scheme closing date

9.—(1) This paragraph applies to P if P falls within any of the following sub-paragraphs.

(2) P falls within this sub-paragraph if—

- (a) P was an active member of the 1987 scheme on the scheme closing date and on 31st March 2012; and
- (b) on 1st April 2012, P had reached 45.

(3) P falls within this sub-paragraph if—

- (a) P was an active member of the 1987 scheme on the scheme closing date and on 31st March 2012;
- (b) on 1st April 2012—
 - (i) P had reached 38; and
 - (ii) P had at least 20 years’ qualifying service under the 1987 scheme.

(4) P falls within this sub-paragraph if—

- (a) on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
- (b) P began pensionable service under the 1987 scheme immediately after ceasing to be in pensionable service under the existing NI police pension scheme;
- (c) on the scheme closing date, P was an active member of the 1987 scheme;
- (d) P would have been a full protection member of the existing NI police pension scheme had P remained in pensionable service under the existing NI police pension scheme;
- (e) on 1st April 2012—
 - (i) P had reached 45; or
 - (ii) P had reached 38 and P would have had at least 20 years’ qualifying service under the 1987 scheme.

Active member of the existing NI police pension scheme on scheme closing date

10.—(1) This paragraph applies if—

- (a) sub-paragraph (2) applies; and
- (b) either sub-paragraph (3) or (4) applies.

(2) This sub-paragraph applies if—

- (a) on the scheme closing date and on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
- (b) P begins pensionable service under the 1987 scheme immediately after ceasing to be in pensionable service under the existing NI police pension scheme; and
- (c) P would have been a full protection member of the existing NI police pension scheme had P remained in pensionable service under that scheme.

- (3) This sub-paragraph applies if, on 1st April 2012, P had reached 45.
- (4) This sub-paragraph applies if, on 1st April 2012—
 - (a) P had reached 38; and
 - (b) P would have had at least 20 years' qualifying service under the 1987 scheme.

Exception for full protection member during protection period

11.—(1) The protection period for a person (P) who is a full protection member of the 1987 scheme is the period which—

- (a) begins on the day after the scheme closing date; and
 - (b) ends when P ceases to be a full protection member of the 1987 scheme.
- (2) During the protection period—
- (a) P is in pensionable service under the 1987 scheme;
 - (b) section 18(1) of the Act does not apply in respect of that pensionable service; and
 - (c) benefits are to be provided under the 1987 scheme to or in respect of P in relation to that pensionable service.

Full protection member not eligible to join this scheme

12. While a person (P) is a full protection member of the 1987 scheme, P is not eligible to be an active member of this scheme.

PART 3

Exceptions for full protection members of the 2006 scheme

Meaning of “full protection member” (the 2006 scheme)

13.—(1) A person (P) to whom paragraphs [] to [] apply is a full protection member of the 2006 scheme.

(2) P ceases to be a full protection member of the 2006 scheme when P ceases to be in pensionable service under that scheme.

Active member of the 2006 scheme on scheme closing date

14.—(1) This paragraph applies if any of the following sub-paragraphs applies.

- (2) This sub-paragraph applies if—
 - (a) on the scheme closing date and on 31st March 2012, P was an active member of the 2006 scheme; and
 - (b) unless P dies, P would reach 55 on or before 1st April 2022.
- (3) This sub-paragraph applies if—
 - (a) on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
 - (b) on the scheme closing date, P was an active member of the 2006 scheme; and
 - (c) unless P dies, P would reach 55 on or before 1st April 2022.
- (4) This sub-paragraph applies if—
 - (a) on 31st March 2012, P was an active member of an existing scheme;
 - (b) on the scheme closing date, P was an active member of the 2006 scheme; and
 - (c) unless P dies, P would reach 55 on or before 1st April 2022.

Active member of the existing NI police pension scheme on scheme closing date

15. This paragraph applies if—

- (a) on the scheme closing date and on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
- (b) P begins pensionable service under the 2006 scheme not more than 5 years after leaving pensionable service under the existing NI police pension scheme;
- (c) P would have been a full protection member of the existing NI police pension scheme had P re-entered pensionable service under that scheme; and
- (d) unless P dies, P [would reach 55][would reach normal pension age under the 2006 scheme and the existing NI police pension scheme] on or before 1st April 2022.

Exception for full protection member during protection period

16.—(1) The protection period for a person (P) who is a full protection member of the 2006 scheme is the period which—

- (a) begins on the day after the scheme closing date; and
- (b) ends when P ceases to be a full protection member of the 2006 scheme.

(2) During the protection period—

- (a) P is in pensionable service under the 2006 scheme;
- (b) section 18(1) of the Act does not apply in respect of that pensionable service; and
- (c) benefits are to be provided under the 2006 scheme to or in respect of P in relation to that pensionable service.

Full protection member not eligible to join this scheme

17. While a person (P) is a full protection member of the 2006 scheme, P is not eligible to be an active member of this scheme.

PART 4

Exceptions for tapered protection members of the 1987 scheme

Meaning of “tapered protection member” (the 1987 scheme)

18.—(1) A person (P) to whom any of paragraphs [] to [] applies is a tapered protection member of the 1987 scheme.

(2) P ceases to be a tapered protection member of the 1987 scheme on whichever of the following days occurs first—

- (a) P’s tapered protection closing date; or
- (b) the day on which P ceases to be in pensionable service under the 1987 scheme.

Active member of the 1987 scheme on scheme closing date

19.—(1) This paragraph applies to P if P falls within any of the following sub-paragraphs.

(2) P falls within this sub-paragraph if—

- (a) on the scheme closing date and on 31st March 2012, P was an active member of the 1987 scheme; and
- (b) on 1st April 2012, P had reached 41 but had not reached 45.

(3) P falls within this sub-paragraph if—

- (a) on the scheme closing date and on 31st March 2012, P was an active member of the 1987 scheme; and
 - (b) on 1st April 2012—
 - (i) P had reached 34 but had not reached 38; and
 - (ii) P had at least 20 years' qualifying service under the 1987 scheme.
- (4) P falls within this sub-paragraph if—
- (a) on the scheme closing date and on 31st March 2012, P was an active member of the 1987 scheme; and
 - (b) on 1st April 2012—
 - (i) P had reached 38 but had not reached 45; and
 - (ii) P had at least 16 but less than 20 years' qualifying service under the 1987 scheme.
- (5) P falls within this sub-paragraph if—
- (a) on the scheme closing date and on 31st March 2012, P was an active member of the 1987 scheme; and
 - (b) on 1st April 2012—
 - (i) P had not reached 38;
 - (ii) P had less than 20 years' qualifying service under the 1987 scheme; and
 - (iii) the sum of P's age in years and P's years of continuous pensionable service under the 1987 scheme is at least 54 but less than 58.
- (6) P falls within this sub-paragraph if—
- (a) on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
 - (b) on the scheme closing date, P was an active member of the 1987 scheme; and
 - (c) unless P dies—
 - (i) P would reach 45 between 2nd April 2022 and 1st April 2026 (inclusive); or
 - (ii) P would reach 38 between 2nd April 2022 and 1st April 2026 (inclusive) and on reaching 38, P would have at least 20 years' qualifying service (counting pensionable service under both the 1987 scheme and the 2015 scheme).

Active member of the existing NI police pension scheme

20. This paragraph applies if—

- (a) on the scheme closing date and on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
- (b) P begins pensionable service under the 1987 scheme immediately after leaving pensionable service under the existing NI police pension scheme;
- (c) P would have been a full protection member or tapered protection member of the existing NI police pension scheme had P re-entered pensionable service under that scheme; and
- (d) unless P dies, P [would reach 55][would reach normal pension age under—
 - (i) the 1987 scheme] between 2nd April 2022 and 1st April 2026 (inclusive); and
 - (ii) the existing NI police pension scheme] on or before 1st April 2026.

Exception for tapered protection members during protection period

21.—(1) The protection period for a tapered protection member of the 1987 scheme is the period which—

- (a) begins on the day after the scheme closing date; and
- (b) ends when P ceases to be a tapered protection member of the 1987 scheme.

- (2) During the protection period—
- (a) P is in pensionable service under the 1987 scheme;
 - (b) section 18(1) of the Act does not apply in respect of that pensionable service; and
 - (c) benefits are to be provided under the 1987 scheme to or in respect of P in relation to that pensionable service.

Tapered protection member not eligible to join this scheme

22. While a person (P) is a tapered protection member of the 1987 scheme, P is not eligible to be an active member of this scheme.

PART 5

Exceptions for tapered protection members of the 2006 scheme

Meaning of “tapered protection member” (the 2006 scheme)

23.—(1) A person (P) to whom paragraphs [] to [] apply is a tapered protection member of the 2006 scheme.

(2) P ceases to be a tapered protection member of the 2006 scheme on whichever of the following days occurs first—

- (a) P’s tapered protection closing date; or
- (b) the day on which P ceases to be in pensionable service under the 2006 scheme.

Active member of the 2006 scheme on scheme closing date

24.—(1) This paragraph applies if any of the following sub-paragraphs applies.

(2) This sub-paragraph applies if—

- (a) on the scheme closing date and on 31st March 2012, P was an active member of the 2006 scheme; and
- (b) unless P dies, P would reach 55 between 2nd April 2022 and 1st April 2026 (inclusive).

(3) This sub-paragraph applies if—

- (a) on 31st March 2012, P was in pensionable service under the existing NI police pension scheme;
- (b) on the scheme closing date, P was an active member of the 2006 scheme; and
- (c) unless P dies, P would reach 55 between 2nd April 2022 and 1st April 2026 (inclusive).

PART 6

Payment of ill-health benefits to transition members with continuity of service

Interpretation of Part

25. In this Part—

“ill-health pension”, in relation to the existing police pension scheme, means—

- (a) an ill-health award under regulation B3 of the Police Pensions Regulations 1987(a) (policeman’s ill-health award); or

(a) S.I. 1987/257.

- (b) a standard ill-health pension under regulation 30 of the 2007 Regulations (calculation of standard ill-health pension) and, if applicable, an enhanced top-up ill-health pension under regulation 31 of those Regulations (calculation of enhanced top-up ill-health pension);

“normal pension age under the existing police pension scheme” means—

- (a) for a 2006 transition member, the normal pension age under the 2006 scheme; and
- (b) for a 1987 transition member, the normal pension age for that member under the 1987 scheme;

“retirement earned pension”, in relation to the existing police pension scheme, means—

- (a) an ordinary pension under regulation B1 of the Police Pensions Regulations 1987(a) (policeman’s ordinary pension); or
- (b) an annual pension under regulation 28(1)(a) of the 2007 Regulations (calculation of ordinary pension).

Transition member who has not reached normal pension age under the existing police pension scheme

26.—(1) This paragraph applies in relation to a transition member with continuity of service who—

- (a) becomes entitled to immediate payment of an ill-health pension under this scheme; and
- (b) has not reached normal pension age under the existing police pension scheme.

(2) If this paragraph applies—

- (a) an ill-health pension is not payable under the existing police pension scheme;
- (b) a lump sum is not payable under regulation [28(1)(b)] of the [2006] scheme; and
- (c) an ill-health pension is payable under this scheme in accordance with this paragraph.

(3) If the member meets the lower tier threshold only, the annual rate of ill-health pension payable under this scheme is the sum of—

- (a) the annual rate of a lower tier ill-health pension payable under this scheme;
- (b) the amount of pension mentioned in paragraph (5); and
- (c) an amount of pension which is equivalent to the lump sum that would, if the member was entitled to the payment, be payable to the member under regulation [] of the 2006 scheme.

(4) If the member meets the upper tier threshold, the annual rate of ill-health pension is the sum of—

- (a) the annual rate of a lower tier ill-health pension payable under this scheme;
- (b) the annual rate of an enhanced upper tier ill-health pension payable under this scheme; and
- (c) the amount of pension mentioned in paragraph (5); and
- (d) an amount of pension which is equivalent to the lump sum that would, if the member was entitled to the payment, be payable to the member under regulation [] of the 2006 scheme.

(5) The amount is—

- (a) for a 2006 transition member, the annual rate of retirement earned pension that would, if the member was entitled to payment of an ill-health pension under the existing police pension scheme, be payable to the member at normal pension age under that scheme; or

(a) S.I. 1987/257.

(b) for a 1987 transition member, the annual rate of ill-health pension payable under the 1987 scheme.

(6) If, after the ill-health pension becomes payable, a transfer payment is made from the existing police pension scheme in respect of the member's rights under that scheme, the scheme manager must deduct from the amount of retirement earned pension payable in respect of service under the existing police pension scheme an amount equal to the value of the pension represented by that transfer payment.

(7) A retirement added pension of any description is payable with the lower tier ill-health pension if the retirement account specifies an amount of retirement added pension of that description.

(8) The amount of pension payable under this paragraph which represents the amount that would have been payable under the existing police pension scheme is subject to the same conditions, and ceases to be payable in the same circumstances, as is the pension to which the member would have been entitled under the existing police pension scheme.

Transition member who has reached normal pension age under the existing police pension scheme

27.—(1) This paragraph applies in relation to a transition member with continuity of service who is receiving payment of an ill-health pension in accordance with paragraph [] (transition member who has not reached normal pension age under the existing police pension scheme).

(2) When the member reaches normal pension age under the existing police pension scheme—

(a) the benefits payable under paragraph [] (transition member who has not reached normal pension age under the existing police pension scheme) in respect of service in the existing police pension scheme cease to be payable under this scheme; and

(b) a pension becomes payable under the existing police pension scheme in accordance with sub-paragraph (3).

(3) A pension is payable under the existing police pension scheme as follows—

(a) for a 2006 transition member, a retirement earned pension is payable under the 2006 scheme; and

(b) for a 1987 transition member, an ill-health pension is payable under the 1987 scheme.

(4) For the purpose of sub-paragraph (3), in calculating the annual rate of retirement earned pension or ill-health pension payable under the existing police pension scheme the following are subtracted from the amount of accrued earned pension—

(a) the proportion of the commutation amount (if any) that related to service in the existing police pension scheme;

(b) an amount of pension (being an amount equivalent to a lump sum) which was paid under paragraph [] (transition member who has not reached normal pension age under the existing police pension scheme); and

(c) an amount equal to any transfer payment made to another scheme before the member reached normal pension age under the existing police pension scheme.

(5) Before the amounts in sub-paragraph (4)(a) and (b) are subtracted, they must be increased by the amount by which the annual rate of a pension of that amount would have been increased under PIA 1971 if—

(a) that pension was eligible to be so increased; and

(b) the beginning date for that pension was the date the ill-health pension became payable under this scheme.

PART 7

Payment of death benefits in respect of transition members with continuity of service

Annual rate of surviving adult's pensions payable under this scheme when a transition member dies in service

28.—(1) This paragraph applies in relation to a transition member with continuity of service—

- (a) who dies as an active member of this scheme; and
- (b) who has at least 2 years' qualifying service.

(2) Benefits for surviving spouses, surviving civil partners or other adult dependants are not payable under the existing police pension scheme in respect of the member.

(3) The annual rate of dependant's earned pension payable under this scheme is the sum of—

- (a) the amount calculated under regulation [] including the additional amount under regulation [] for a transition member with continuity of service; and
- (b) the amount of annual pension which would have been payable under the existing police pension scheme to the member's surviving spouse, surviving civil partner or other adult dependant had those benefits been payable under that scheme in respect of the member.

(4) The amount of pension payable under paragraph (3)(b) is subject to the same conditions, and ceases to be payable in the same circumstances, as is the pension to which the member's surviving spouse, surviving civil partner or other adult dependant would have been entitled under the existing police pension scheme.

Payment of eligible child's pension in respect of a transition member who dies in service

29.—(1) This paragraph applies in relation to a transition member with continuity of service—

- (a) who dies as an active member of this scheme; and
- (b) who has at least 2 years' qualifying service.

(2) Benefits for eligible children are not payable under the existing police pension scheme in respect of the member.

(3) The annual rate of child's earned pension payable under this scheme is the sum of—

- (a) the annual rate of child's earned pension calculated under regulation [] (annual rate of eligible child's pension); and
- (b) the amount of annual pension which would have been payable under the existing police pension scheme to any eligible children of the member had those benefits been payable under the existing police pension scheme in respect of the member.

(4) The amount of pension payable under paragraph (3)(b) is subject to the same conditions, and ceases to be payable in the same circumstances, as is the pension to which the eligible child would have been entitled under the existing police pension scheme.

Lump sum death grant payable on death of active member

30.—(1) This paragraph applies in relation to a transition member with continuity of service who dies as an active member of this scheme.

(2) On the death of the member—

- (a) a lump sum death grant is payable in respect of the member under regulation []; but
- (b) a death in service lump sum death grant is not payable under the existing police pension scheme.

Death gratuities - dependants

31.—(1) This paragraph applies in relation to a transition member with continuity of service who dies as a pensioner member of this scheme if—

- (a) the death results from an injury received in the execution of duty; or
- (b) the member dies within 2 years of becoming entitled to the member's retirement pension.

(2) The scheme manager may [in its discretion] grant a gratuity under both this scheme and the 2006 scheme if the conditions for payment are met under both—

- (a) regulation [] (death gratuities – dependants); and
- (b) regulation 44 of the 2007 Regulations (death gratuities – dependants).

Death gratuity – estate

32.—(1) This paragraph applies in relation to a transition member with continuity of service who dies as a pensioner member or active member of this scheme.

(2) The scheme manager may [in its discretion] grant a gratuity under both this scheme and the 2006 scheme if the conditions for payment are met under both—

- (a) regulation [] (death gratuity – estate); and
- (b) regulation 45 of the 2007 Regulations (death gratuity – estate).

PART 8

Transitional provisions relating to the existing police pension scheme

Pensionable service under the existing police pension scheme

33.—(1) This paragraph applies in relation to a transition member with continuity of service (T).

(2) The provisions of the existing police pension scheme relating to payment of contributions for added pension [and added years] continue to apply after the closing date as if T continued in pensionable service under that scheme.

(3) In determining whether T qualifies under the existing police pension scheme for retirement benefits (other than an ill-health pension), T's pensionable service under that scheme terminates when T's pensionable service under this scheme terminates.

(4) In determining T's final salary for any purposes of the existing police pension scheme under Schedule 7 to the Act (final salary link), pensionable earnings derived from service under this scheme are to be regarded as derived from service under the existing police pension scheme.

Deferred member of the existing police pension scheme

34.—(1) A transition member with continuity of service (T) does not become a deferred member of the existing police pension scheme unless T becomes a deferred member of this scheme.

(2) If T opts out of this scheme in relation to eligible service and T has at least 2 years' qualifying service(a)—

- (a) T becomes a deferred member of the existing police pension scheme in relation to that service; and
- (b) any periodical payments for added pension [or added years] under the existing police pension scheme cease to be payable.

(3) If T re-enters pensionable service under this scheme after a gap in service not exceeding 5 years, T ceases to be a deferred member of the existing police pension scheme.

(a) See Part 6 (retirement benefits) for the meaning of "qualifying service".

Repayment of contributions under the existing police pension scheme

35. If a transition member with continuity of service (T) opts out of this scheme and T has less than 2 years' qualifying service, T must be repaid all member contributions under the existing police pension scheme.

Qualifying for retirement benefits under the existing police pension scheme

36. In determining whether a transition member with continuity of service qualifies for retirement benefits under the existing police pension scheme, the member's qualifying service under the existing police pension scheme includes the total of—

- (a) any continuous period of pensionable service under this scheme; and
- (b) if a transfer payment has been received by this scheme in respect of a member's accrued rights under another occupational pension scheme, the member's pensionable service under that scheme.

Calculation of lump sum under the 1987 scheme

37. In calculating the lump sum payable under regulation B7(4) of the Police Pensions Regulations 1987^(a) payable to a 1987 transition member, pensionable service under this scheme is included in the length of pensionable service.

PART 9

Miscellaneous transitional provisions

Declaration continues to have effect

38.—(1) This paragraph applies if a transition member with continuity of service has not made a declaration under these Regulations that another adult is the dependant of the member for the purpose of death benefits under this scheme.

(2) An existing declaration has effect as if made under these Regulations until the transition member makes a declaration under these Regulations.

(3) In this paragraph, "existing declaration" means a declaration which—

- (a) was made for the purpose of the existing police pension scheme; and
- (b) as at the closing date, had effect under that scheme.

Nomination under the existing police pension scheme continues to have effect

39.—(1) This paragraph applies if a transition member with continuity of service has not nominated a person under these Regulations to receive a lump sum death grant under this scheme.

(2) An existing nomination has effect as if made under these Regulations until the transition member makes a nomination under these Regulations.

(3) In this paragraph, "existing nomination" means a nomination which—

- (a) was made for the purpose of the existing police pension scheme; and
- (b) as at the closing date, had effect under that scheme.

(a) S.I. 1987/257.

PART 10

Transfer of final salary benefits

Meaning of “final salary benefit”

40.—(1) In this Part, “final salary benefit” means benefit accrued under a final salary scheme, subject to sub-paragraph (2).

(2) Where only part of the pension entitlement payable under a final salary scheme to or in respect of a person which is based on the pensionable service of that person is or may be determined by reference to the person’s final salary, “final salary benefit” means the benefit in respect of which the pension entitlement is so determined.

Acceptance of club transfer value payments and bulk transfers

41.—(1) If under regulation [] the special terms agreed for the acceptance of transfer payments require any part of a transfer [value] payment that relates to a member’s final salary benefit to be paid into the existing police pension scheme, that part of the transfer [value] payment must be paid into the 2006 scheme.

(2) Any part of a club transfer value payment received from another pension scheme that relates to a member’s final salary benefit must be paid into the 2006 scheme.

Member of this scheme or the 2006 scheme

42.—(1) This paragraph applies to a person who transfers final salary benefits into the 2006 scheme.

(2) Unless the person is a protected member of the 2006 scheme, the person—

- (a) becomes a member of this scheme; and
- (b) is taken to be a transition member with continuity of service.

(3) If the person is a protected member of the 2006 scheme, the person joins that scheme.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations establish a career average revalued earnings scheme for the payment of pensions and other benefits to police officers.

Part 2 provides for establishment and scope of the scheme.

Part 3 contains governance provisions including delegation of the scheme manager's functions and establishment of the Scottish Police Pension Board and a scheme advisory board.

Part 4 provides for scheme membership. It sets out the key concepts of eligible service and pensionable earnings. It contains eligibility and auto-enrolment provisions.

Part 5 provides for the establishment of a member's pension accounts in relation to a continuous period of pensionable service under this scheme. It also provides for the establishment of a pension credit member's account.

Chapter 2 explains how adjustments to amounts of accrued pension are calculated.

Chapter 3 explains how the amount of accrued pension is calculated.

Chapter 5 provides for the establishment of the active member's account. This Chapter shows how the proportion of pensionable earnings accrued as pension is revalued each year until the member leaves pensionable service.

Chapter 6 provides for the establishment of the deferred member's account and explains how the provisional amount of each description of deferred pension is calculated.

Part 6 provides for a member's entitlement to payment of retirement benefits. It also provides for the assignment of benefits. It sets out the key concept of qualifying service.

Part 7 provides for benefits for pension credit members.

Part 8 provides for death benefits. It provides for the recovery and suspension of benefits in certain cases.

Part 9 provides for the payment of contributions by members and employers.

Part 10 provides for making and receiving transfer payments.

Part 11 provides for actuarial valuations and employer cost cap.

Part 12 contains supplementary provisions on payment of pensions, payment and deduction of tax and miscellaneous provisions including the determination of questions.

Schedule 1 makes provision for payments for extra pension.

Schedule 2 lists progressive medical conditions.

Schedule 3 makes transitional provision.

An impact assessment has not been prepared for this instrument as no impact on the costs of business or the voluntary sector is foreseen.