



Scottish Police Federation

5 Woodside Place Glasgow G3 7QF

JCC Circular 9 of 2014

Ref: CS/LS

5 March 2014

Attachments: SPPA Police pension circular 1/2014;
PNB SSC staff side response

Dear Colleague

Police pension contribution increases - information

Please find attached an entirely self-explanatory circular detailing yet further increases to police pensions contribution rates with effect from 1st April 2014.

I also append for your information a copy of the PNB Scotland Standing Committee Staff Side response to the proposed increases.

Clearly this will come as yet another bitter blow for members and our Chairman is preparing a press release on the subject.

Yours sincerely

Calum Steele
General Secretary

**PNB SCOTLAND STANDING COMMITTEE
STAFF SIDE**

The Police (Scotland) Employee Contributions Consultation
Policy Branch
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By email: policepensionsreform@scotland.gsi.gov.uk

7th February 2014

Ref: CS/

Dear

Proposed increases to police pension contribution rates from 1st April 2014

I refer to the above and thank you for inviting the Staff Side of the PNB Scotland Standing Committee to respond to the proposals.

The Staff Side is of the very strong view this is consultation for consultation's sake as there is nothing that will be said or written that will result in any reconsideration of the proposed increases. This simply reinforces the unique nature of the police industrial relations landscape and despite our repeated observation and comment, we see little if any enthusiasm to recognise or act on this injustice.

The Staff Side, whilst recognising the limitations within which the Scottish Government is operating, believes these increases are unnecessary and unwarranted. We know that police pensions are paid entirely from the Scottish Government's Departmental Expenditure Limits (DEL) and the additional income raised will not contribute one penny to the UK Government's deficit or debt reduction plans. Given that there is no attempt to disguise the wider public sector pension contribution increases as anything other than a naked cash grab, it is perhaps academic that no valuation has been undertaken of the police pension schemes to determine whether any increase in contributions is warranted. However given the manifest unfairness of this general approach Staff Side has to highlight once again that no justification for increases can be provided without such a valuation being undertaken.

Staff Side considers it morally repugnant that police officers (as part of the wider public sector workforce) should be expected to help underwrite a debt that originates almost entirely in private sector failure. This insult is compounded with the knowledge that the revenue raised through contribution increases, pales into insignificance compared with levels of tax avoidance and tax 'efficient' schemes promoted across the private sector.

Staff Side is also shocked at the 11th hour moving of the goal posts in respect of the 'expected' pension contribution increase. There can be little doubt the move to squeeze an additional 0.05% on top of the expected increases; from the pockets of police officers is the blood to accompany the pound of flesh.

PNB SCOTLAND STANDING COMMITTEE
STAFF SIDE

It is the Staff Side's understanding that the rationale for this additional 0.05% is as a consequence of workforce demographic change in England & Wales. Effectively, the loss of so many police officers at the top of their pay scales across England & Wales appears to have resulted in a shortfall in yield (needed to 'underwrite' the minimal increase for those at the very lowest end of the pay scales). Quite simply this is scandalous with serving police officers being financially penalised for the massive loss in their numbers. If indeed this is the case, there is absolutely no justification for this additional squeeze being applied in Scotland where our police numbers have remained healthy over the corresponding period.

These increases will leave police officers worse off whilst having absolutely no benefit for their pensions. The dramatic cost of living increases coupled with below inflation wage rises have seen wage value decrease steadily over the recent years. These increases will eat further into police officer pockets and the vast majority will feel the double whammy of reduced personal tax thresholds and pension increases from April.

The marginal benefit of the £10,000 personal tax free allowance will be more than lost when these increases are considered alongside the reduction to other tax thresholds, the reduction to pension annual allowance limits (which disproportionately impacts on the members of the 1987 pension scheme) and changes to child benefit. All in all these increases when considered alongside these other factors mentioned above show that rather than be rewarded for hard work and dedication to the protection and safety of our citizens, police officers are in fact being penalised.

Staff Side is also concerned the proposals adversely impact on part time officers as their level of increase is determined by reference to their full time equivalent salary. Many part time officers will be making increased pension contributions despite their actual salary being below the threshold of £15,000.

Whilst Staff Side believes this is an exercise in futility, we urge the Scottish Government to reconsider these increases. No fair analysis of their purpose and impact can support their introduction.

Yours sincerely



Calum Steele
Staff Side Secretary

**POLICE PENSION SCHEME
1/2014**

WHO SHOULD READ: Chief Constable of Police Scotland
ACTION: For information and action. Please draw this to the attention of pension managers, superannuation sections and scheme members.
SUBJECT: Increases in members' contribution rates effective from 1 April 2014

- The purpose of this circular is to confirm that increases to members' contributions will be effective from 1 April 2014 as set out in the recent consultation and shown in the tables below. This concerns contributions made under the Police Pension Regulations 1987 (PPS) and the New Police Pension Regulations (Scotland) 2007 (NPPS).

In a statement to Parliament on 5 November 2013, the Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney MSP, announced the Scottish Government's decision to implement the third annual increment of UK Government proposed employee contribution increases for the Teachers', NHS, Police and Firefighters' schemes in Scotland.

This circular confirms that Scottish Ministers have decided that member's contribution rates from 1 April 2014 will be implemented as set out in the consultation document. The rates set out below were issued for consultation for the period 27 January to 14 February 2014. Regulations to implement these increases were laid in the Scottish Parliament on 3 March and subject to Parliamentary approval, the contribution rates will become effective from 1 April 2014 as set out in the table below. The rates continue to be based on the member's full-time equivalent salary.

Police Pension Scheme (1987)

Wholetime Pensionable pay band	Current rate(%)	Contribution rate increase from 2014/15 (%)	Contribution Rate 2014/15 (%)
£27,000 and under	12.2%	0.3%	12.5%
£27,001- £60,000	13.5%	0.75%	14.25%
Over £60,000	14%	1.05%	15.05%

New Police Pension Scheme (2006)

Wholetime Pensionable pay Band	Current rate (%)	Contribution rate increase from 2014/15(%)	Contribution Rate 2014/15 (%)
£27,000 and under	10.7%	0.3%	11%
£27,001- £60,000	11.5%	0.55%	12.05%
Over £60,000	12%	0.75%	12.75%

To help members understand what this will mean for them, a [PPS contributions calculator](#) and [NPPS contributions calculator](#) are available on the SPPA website (use this link or go to the Police page of the SPPA website and click on Calculators). This will show members how their monthly contributions will be affected after tax.

The changes to contribution rates will be effective for service from 1 April 2014.

The employer contribution rate is not affected by these changes. Employer contributions are determined by scheme valuations. The Public Service Pensions Act 2013 sets out via HM Treasury Directions how and when those regulations should be undertaken. In addition the Act also requires an employer cost cap to be set and measured as part of that process.

A valuation based on data as at March 2012 is currently being undertaken based on the above requirements which will set both the employer contribution rate from April 2015 and the employer cost cap. It is expected that the Police 2012 valuation will be finalised during the summer after which the employer contribution rates from 1 April 2015 will be announced.

Please bring the information contained in this circular to the attention of the relevant staff to ensure that the necessary arrangements are in place for the correct contributions to be deducted from members as appropriate when the regulations come into force on 1 April 2014.

In accordance with the Occupational Pension Scheme (Disclosure of Information) Regulations 1996, please ensure that all members who are affected by this change are notified individually in writing.

Claire McGow
Policy Manager
4 March 2014

Contact Information: Should you have any enquiries about this circular, or require further information, please contact: Claire.McGow@scotland.gsi.gov.uk

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