



Scottish Police Federation

5 Woodside Place Glasgow G3 7QF

JCC Circular 12 of 2014

Attachments:

Staff Side Letter – pension contribution increases;
Pension Contribution Increase Table

Ref: CS/LS

3 April 2014

Dear Colleague

Police Pension Contribution Increases 2014-15

I refer to the above and regret to advise that despite compelling reason and argument to the contrary, police pension contribution rates will increase from 1st April 2014.

The Staff Side response to the proposal and table detailing the pension contribution rates is attached for your information.

Should you have any comment on the content of this circular please notify then to me no later than ten days after its date of publication.

Yours sincerely

Calum Steele
General Secretary

Annex A: increases for 2014/15

			2011/12 (actual)	2012/13 (actual)	2013/14 (actual)	2014/15 (actual)	
Increase in officer contributions (compared to 2011/12)			Tier 1 - 1987 scheme	n/a	n/a	n/a	n/a
			Tier 1 - 2006 scheme	0	0.60	1.20	1.50
			Tier 2 - 1987 scheme	0	1.25	2.50	3.25
			Tier 2 - 2006 scheme	0	1.00	2.00	2.55
			Tier 3 - 1987 scheme	0	1.50	3.00	4.05
			Tier 3 - 2006 scheme	0	1.25	2.50	3.25
Total officer contributions - tier 1	1987 scheme	%	n/a	n/a	n/a	n/a	
	2006 scheme	%	9.50	10.10	10.70	11.00	
Total officer contributions - tier 2	1987 scheme	%	11.00	12.25	13.50	14.25	
	2006 scheme	%	9.50	10.50	11.50	12.05	
Total officer contributions - tier 3	1987 scheme	%	11.00	12.50	14.00	15.05	
	2006 scheme	%	9.50	10.75	12.00	12.75	

Tier 1 is those on a basic annual salary of under £27,000

Tier 2 is those on a basic annual salary of more than £27,000 but less than £60,000

Tier 3 is those on a basic annual salary of £60,000 and over

**PNB SCOTLAND STANDING COMMITTEE
STAFF SIDE**

The Police (Scotland) Employee Contributions Consultation
Policy Branch
SPPA
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

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