



# Scottish Police Federation

PO Box 27163, GLASGOW, G3 9EZ

## JCC Circular 6 of 2022

Ref: CS/LS

23<sup>rd</sup> February 2022

Attachment: SPPA Circular 2022-02

Dear Colleague

### **Police Pensions – Commutation - Information**

I refer to the above and the attached circular from the Scottish Public Pensions Agency.

Both changes are to be welcomed and provide both comfort, and greater choice to officers at the point of, or considering, retirement.

The SPF successfully secured the commutation underpin in 2012 and that this will now continue indefinitely removes any doubt from members minds as to the potential for differential lump sum payments.

In addition, the removal of the pension commutation cap now means officers eligible for an ordinary pension (in all circumstances) in the 1987 scheme, will be able to have a lump sum determined by reference to the actuarial tables, and will not have such payments restricted to 2.25 x their pension.

A member of the 1987 pension scheme may access an ordinary pension if they have 25 years of service and are aged 50.

Yours sincerely

**CALUM STEELE**  
General Secretary

# Police Pension Schemes

## 2022/02

<b>Who should read:</b>	<ul style="list-style-type: none"><li>• Chief Constable of Police Scotland</li><li>• Pensions Administrators</li><li>• Current scheme members</li></ul>
<b>Action:</b>	For information and action
<b>Subject:</b>	Changes to Commutation provision in the Police Pension Scheme 1987 (“the 1987 scheme”)
<b>Date:</b>	21 February 2022

**The purpose of this circular is to provide notice that The Police Pensions (Amendment) (Scotland) Regulations 2022 comes into force on 1 April 2022.**

### Consultation

1. To comply with the requirements of the Police Pensions Act 1976 and the Public Service Pensions Act 2013, draft regulations were circulated for consultation between 24 December 2021 and 1 February 2022. The consultation documentation and summary of responses are available on the [SPPA website](#).

### Commutation Factors

2. These amendments extend indefinitely the commutation factor underpin which exists for members of the 1987 scheme in Scotland, which means that the higher of either the England and Wales scheme or Scottish Scheme factors are used for lump sum calculations. The underpin was due to end on 31 March 2022. There is no change to the factors that currently apply.

### Commutation Cap

3. These amendments removes the restriction in Regulation B7 of the 1987 scheme, which applies to officers who retire with less than 30 years’ service and are aged below their relevant voluntary retirement age [as set out in regulation A4 of the 1987 scheme regulations]. Voluntary retirement ages are set at age 55 for constables and sergeants, and 60 for superintendents and inspectors. Under the existing provisions, upon retirement this cohort of officers could only commute up to a maximum of 2.25 times their annual pension. These amendments remove this limit entirely, allowing all officers who are entitled to an ordinary pension to commute up to the maximum 25% of their pension.

4. This change commences from 1 April 2022 and will not apply retrospectively, meaning lump sum entitlement before that date will be payable under the existing rules.

## Any questions?

Please contact [Mhairi.Kinnaird@gov.scot](mailto:Mhairi.Kinnaird@gov.scot) if you have any enquiries about this circular. If you have any queries relating to the administration of the scheme, please contact the Customer Services team via e-mail at [sppapolicypensions@gov.scot](mailto:sppapolicypensions@gov.scot).

**Mhairi Kinnaird**  
Police Pensions Policy Manager  
21 February 2022