



Police Pension Scheme (2015 scheme membership)

Active ABS Guidance Notes

Please note, your benefit statement is an estimate only and not a guarantee of the actual benefits you could receive. It reflects the current scheme regulations only.

Your annual benefit statement shows the pension you have built up in respect of membership under the final salary scheme (if applicable) and the pension built up under the CARE (career average revalued earnings) scheme (known as the 2015 police pension scheme) as at the statement date.

If you have not yet moved to the 2015 scheme then section 3; Career Average Pension will be blank and section 4; Final salary benefits, will show the pension built up in respect of membership up to the statement date.

For further information about the new Police Pension Scheme 2015 please see our website: www.yourpensionservice.org.uk.

Personal details

These are the personal details that we hold on file. If any of these details are incorrect, please notify us as soon as possible.

The date commenced current employment is the date you joined the Police Authority. Any transfers of service already credited are included in the benefits shown.

The statement will show a date of commencement of the 2015 scheme or if you are a 'tapered' member and are yet to move into the 2015 scheme, it will show the date you are due to move in the future.

The scheme of which you are a member as at the statement date is shown. If you have transitioned since the statement date, your previous scheme will be shown here and your new scheme will be shown on any subsequent statements.

Summary of Total benefits as at the statement date

This section shows the total benefits accrued over your career to 31 March 2019. If you have mixed membership across schemes (1987, 2006 & 2015) then the combined totals will be shown.

The pension figure is the total accrued as at the statement date should your membership end as at that date. It therefore, shows the benefits payable from the scheme you are a member of at the statement date.



Please note that the figures quoted in this section reflect the total benefits if you left the scheme at the statement date. The figures quoted may be reduced if you take them before your normal pension age.

Career Average Pension Benefits

Figures will only appear in this section if you made contributions to the 2015 scheme in the year before the statement date. They are based on the pensionable pay that you have paid pension contributions on during your membership in that year. Assumed pensionable pay is used if you were on either, reduced pay sick leave, paid child related leave, unpaid ordinary maternity leave or reserved forces leave. If you have had any period of unpaid leave and were eligible to pay back the required contributions and have done so for the relevant leave period., the pay used is based on the rate as at the start of the leave that would have been received during that period.

The figures assume your membership ends at the statement date therefore, the payment date is for a deferred pension. For the 2015 scheme this is State Pension Age.

In the first year you have made payments to the 2015 scheme your closing balance in the previous year will show as zero as there are no pension benefits banked yet. This will increase on subsequent statements as you build up benefits.

If there are no benefits banked in previous years, there is nothing to show increases on, this will show on subsequent statements as your benefits accrue.

The amount of benefits built up in the current year is shown on the statement. This is calculated as Pensionable Pay (as explained above) divided by 55.3 and equals the amount of pension accrued in that year. If you have been paying into the 2015 scheme for less than a year, the pay used is equivalent to the amount of time you have been paying in. For example, if you have been paying in for 6 months, the pay used is that on which you paid pension contributions in that 6 months.

You may draw on your 2015 scheme pension on or after your 55th birthday, providing you have left the police. The benefits will be reduced if you draw them early. Whether you are drawing benefits early depends upon whether there is a gap between leaving the scheme and the date from which they become payable. If there is no gap (i.e. retiring from active status), a reduction will apply if you are drawing them before your 60th birthday. Please see below table.

Where there is a gap (i.e. retiring from deferred status), a reduction will apply if you are drawing them before your state pension age.

Reductions when retiring from active status

	55	56	57	58	59	From age 60
Reduction Percentage	20.9%	17.3%	13.4%	9.3%	4.8%	Unreduced

These factors may change between now and retirement.

Members and employers have the option to buy out any such early payment reduction.

Late retirement

If you remain an active member of the 2015 Scheme beyond the year; 1 April – 31 March in which you attain age 60, your benefits will receive an increase (known as 'an age addition') in each year; 1 April to 31 March thereafter. However, no such increase will apply in the year; 1 April to 31 March in which you joined the 2015 Scheme or the year immediately following that.

Final salary benefits from the 1987 or 2006 Scheme

This section will show any benefit you may have accrued under one of the above schemes. These benefits are normally based on the pensionable pay for the year ending on the date in which you leave the 2015 Scheme.

The Final Salary Pay shown on the statement has been advised to us by your Police Authority as the pay for the year preceding the statement date. This pensionable pay is used for guidance only.

The final salary pension is calculated on your service in the scheme up to either, the statement date or your transition date if you have moved to the 2015 scheme, whichever is earlier.

Doubling is considered for the 1987 scheme if you have enough service to qualify and have continuity of service. Members who have a protected doubling entitlement will have a formula applied to their service to safeguard their entitlement.

This section of the statement assumes:

- (1) You have ceased membership of the 2015 Scheme at the statement date
- (2) The benefits under the 1987 or 2006 schemes will be deferred until the payment date of the relevant scheme:
 - the 1987 scheme deferred payment date is age 60, or age 50 if you have more than 25 years' service when you leave
 - the 2006 scheme deferred payment date is age 65

Projections if you remain an active scheme member with unbroken membership

This section assumes you will continue to contribute to the scheme relevant to you as at your retirement date. For Retirement date, we have used the retirement date for the scheme from which it is projected you will retire. We understand there may be instances where a member chooses to retire early, maybe before their transitional date, however for the purpose of these statements it has not been possible to consider all eventualities therefore, a cover all approach has been taken.

Depending on your membership status, your Normal Pension Age for the purposes of this statement will be shown as follows:

	Protected	Tapered	Unprotected
1987 Scheme	50 with 25 years; or 30 years	50 with 25 years; or, 30 years	50 with 25 years; or, 30 years
2006 Scheme	55	55	55
2015 Scheme	N/A	60	60

Transition members of the 1987 and 2006 scheme have the option to retire and take their 1987/2006 pension at the retirement age for that scheme. If the member retires and draws their 1987 benefits before age 55, their 2015 scheme benefits will be deferred. If the member retires on or after age 55, the member will be able to draw their 2015 scheme benefits immediately or defer them. Where a member draws their 2015 scheme benefits immediately upon leaving and if before age 60, they will be reduced as follows:

Active factors

	55	56	57	58	59	From age 60
Reduction Percentag	20.9%	17.3%	13.4%	9.3%	4.8%	unreduced

If the 2015 scheme benefits are deferred, the member will be able to draw these from age 55. If the 2015 scheme deferred benefits are drawn before state pension age, they will be reduced by reference to the period between drawing the benefits and state pension age.

Deferred factors where the state pension age is 68

	55	56	57	58	59	From age 60
Reduction Factors	48%	45.8%	43.4%	40.8%	38%	Still reduced. Factors available on request

Members and employers have the option to buy out any such early payment reduction.

The active and deferred factors may change between now and retirement.

Please see the 2015 scheme guide on our website for more information.

Lump Sum Calculation

It is worth noting the following:

- 1987 scheme factors are based on age and so may differ if you decide to retire at a date different to that shown
- 2006 scheme provides an automatic lump sum
- 2015 scheme is based on a 1:12 ratio regardless of age
- The statement assumes full commutation of pension
- No account has been taken of any possible tax charges resulting in the higher factors of the 1987 scheme.

Survivor Benefits

Survivor pensions are payable under the relevant scheme rules.

- If you have 1987 scheme membership the survivor pension can only be paid to a legal spouse or civil partner.
- 2006 and 2015 members can be paid to a cohabiting partner who falls within the relevant criteria to benefit for that proportion of their benefits.

	1987 Scheme	2006 Scheme	2015 Scheme
Spouse / Civil Partner only	Yes	Yes	Yes
Cohabiting partner	No	Yes	Yes

The pension payable generally is 50% of your pension entitlement at the date of your death. If you die in service whilst an active member and satisfy certain conditions, the survivor pension is generally 50% of the ill health pension you would have received had you instead retired with an ill health pension.

Please see our website for information about nominating a cohabiting partner.

Children's benefits may be payable in addition if you have eligible dependent children for as long as they remain eligible.

Death in Service lump sum

If you die in service whilst an active member of the 2015 Scheme, we will pay a death grant. The death grant generally will be 3 times your annual Pensionable Earnings (generally the earnings for the last year). This would not be the full time equivalent pay if you work part-time. Where you have linked 1987 or 2006 scheme membership, we would not pay an additional death grant under those earlier schemes.

We will pay the death grant –

- (1) To your surviving spouse or civil partner,
- (2) If you have no spouse, or civil partner at the discretion of the Police Pension Authority, to a cohabiting partner,

- (3) If you have no spouse, no civil partner, and no cohabiting partner at the discretion of the Police Pension Authority, to a person nominated by you, or
- (4) Otherwise, to your legal personal representative – usually the executor of your will - and it will thus form part of your estate.

If you wish to nominate someone to receive your lump sum death grant you should complete a nomination form (available on our website). A nomination does not override the provision that the grant will go to a surviving spouse, civil partner or declared partner, if you have one. It would take effect if you have no spouse, civil partner or declared partner or if you and your spouse, civil partner or declared partner were to die at the same time.

Service history details

Please see 'Membership Details' tab in My Pension online for a breakdown of your membership since joining the scheme, together with service you may have transferred into the scheme from another pension provider.

Part-time working is counted as pensionable membership on a pro-rata basis based on actual hours worked as a proportion of full-time work. Membership is scaled down according to the hours worked.

Other points to note:

Lifetime allowance- No account has been taken of possible breaches of Lifetime or Annual Allowance for higher earners i.e. the figures do not include any potential tax charge if your pension benefits exceed the lifetime allowance.

Revaluation- The statement does not include any adjustment for future revaluation under Treasury Revaluation Orders.

Lump sum & maximum conversion- If your commutation factor under the 1987 Scheme is more than 20 and you elect to receive the maximum commutation, a tax charge will be payable. Under HMRC limits a lump sum payment must not exceed 25% of the total value of benefits payable, and this limit is breached where the commutation factor is more than 20. You may still elect to receive the maximum commutation, however a tax charge will be payable. The figures quoted do not include any tax charges that may result from taking maximum commutation.

Pension debits and scheme pay offsets- Where applicable the calculations include any deductions for pension debits or scheme pay offsets.

Important note

Due to changes in Her Majesty's Revenue and Customs legislation notice to commute some of your pension into a lump sum **must be made prior to retirement** in order for the lump sum to be paid tax free.

The statement provided is an estimate only and not a guarantee of the actual benefits you could receive. Please refer to our website for further information regarding your statement. You should consult Your Pension Service before making any decisions with regards to these pension benefits. Please note, under the current regulations, we are obliged to provide one estimate of pension benefits per year on request. Further requests may incur a charge.

If you are unhappy with the accuracy or any decision made in relation to your pension, please inform your employer or the Pensions Helpdesk in the first instance. If you are still dissatisfied after this, you have the right to appeal - further details can be found on our website.

All data held is for the purpose of administering the pension scheme and paying pension benefits. The administrators have a legal obligation and a legitimate interest under the General Data Protection Regulation (GDPR) or any superseding legislation in processing data as a result of your membership of the scheme. This may include passing such data to the actuary, administrators, auditors, insurers, lawyers and such other third parties as may be necessary for the operation of the scheme. The Lancashire Police Authority and LPP who administer 'The Fund', are joint data controllers under the GDPR. Lancashire Police Authority and LPP remain legally responsible for collecting and processing personal data under the GDPR for the fund.

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