EXECUTIVE NOTE

The Police (Injury Benefit) (Scotland) Regulations 2007 SSI/2007/68

The above instrument is made in exercise of the powers conferred by sections 1, 6, 7 and 8 of the Police Pensions Act 1976 (as amended). Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative resolution procedure.

The instrument replaces the original regulations, the Police (Injury Benefit) Regulations (Scotland) 2006 (SSI 2006/610), which were due to come into force on 1 February 2007. SSI 2006/610 contained drafting errors and was consequently revoked by the Police (Injury Benefit) (Scotland) Revocation Regulations 2007 (SSI 2007/28) on 31 January 2007. The above instrument introduces the changes outlined below whilst at the same time corrects the errors identified in SSI 2006/610.

The instrument removes injury awards from the Police Pensions Regulations 1987 (SI 1987/257) and incorporates these awards with those from the Police (Injury Benefit) Regulations 1987 (SI 1987/156) on a separate statutory basis. The provisions relating to injury awards in the Police Pension Regulations 1987 and the Police (Injury Benefit) Regulations 1987 are repealed by this instrument. The instrument applies only to Scotland.

Policy Objectives

Police injury awards do not depend on membership of the Police Pension Scheme, but are in effect compensation for work-related injuries. Benefits comprise pensions and gratuities for former officers who are permanently disabled as a result of an injury received without their default in the execution of duty, and survivors' pensions and gratuities for spouses, civil partners, children and adult dependent relatives where the officer dies as a result of such an injury.

The amendments enable the Police Pension Scheme to meet the new tax requirements of HM Revenue and Customs. The new tax regime for registered pension schemes - introduced by the Finance Act 2004 - came into effect on 6 April 2006. Under the new tax rules non-contributory compensatory provisions (i.e. those benefits that do not rely on scheme membership pension contributions for duty related death and injury awards but are incorporated into the pension scheme rules) are regarded as unauthorised payments. Unauthorised payments are subject to a tax liability for the member concerned. Any unauthorised payment will incur a tax charge. In order that injury benefits paid under the Police Pension Scheme do not incur such charges it is necessary to separate the injury benefits from the pension scheme regulations.

As mentioned above in addition to removing the non-contributory benefits from the Police Pension Regulations the instrument combines those benefits with other statutory injury awards paid to police officers. A further change resulting from the new tax regime sees an age limit of 23 years applied to benefits paid to a child dependant unless the child is permanently disabled at the date of the officer's death.

Consultation

In accordance with the provisions of section 1 of the Police Pensions Act 1976 the amendments outlined in this instrument were sent in draft to the Police Negotiating Board (PNB) for consultation. In addition under the requirements of section 1(3) of the Police Pensions Act 1976 the PNB were informed that due to the drafting errors outlined above the Police (Injury Benefit) (Scotland) Regulations 2006 SSI 2006/610 were being revoked.

Financial Effects

No Regulatory Impact Assessment has been prepared because no impact on the private or voluntary sector is foreseen.

The instrument simply replicates those injury benefits provided by the Police Pensions Regulations 1987 and the Police (Injury Benefit) Regulations 1987 so there are no additional costs on the public sector.

Scottish Public Pensions Agency
February 2007