EXECUTIVE NOTE

The Police Pensions (Part-time Service) Amendment (Scotland) Regulations 2005 SSI/2005/495

The above instrument is made in exercise of the powers conferred by section1 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 procedures. The amendments partly include retrospective effect which is permitted by section 1 (5) of the Act. The instrument makes amendments to both the Police Pension Regulations (SI 1987/257) and the Police Pensions (Purchase of Increased Benefits) Regulations 1987 (SI 1987/2215). The instrument applies only to Scotland.

Policy Objectives

Part-time service was introduced into the police service from 1 July 1992. Although access to the scheme's double accrual after 20 years service remained open to officers with part-time service the calculation of service towards the 20 year starting point is based on pensionable rather than calendar service. As a result a part-time officer who had served 20 years half time would not be entitled to double accrual as his or her pensionable service only totalled 10 years. There is also a similar effect on retirement awards made before normal retirement age.

The amendments make provision for police officers with part-time service to have access to pension benefits after the same qualifying period of pensionable service, in terms of calendar years, as they would have had if they had served full-time throughout. They also provide that part-time officers' pension benefits are to be calculated as if they had been full-time officers, and then pro-rated for periods of part-time service. This replaces the previous basis of calculation under which part-time service counted as pensionable service on the basis of the actual hours served.

Regulation 1 provides that the amendments in relation to ordinary and short service pensions, ill-health pensions, injury awards, deferred pensions and dependants' pensions shall be backdated to 1st July 1992, the date on which part-time service was introduced into the police service.

Regulation 2 and Schedule 1 make provision for the entitlement of part-time officers to various awards to be calculated on the new pro-rata basis described above. The position of officers is protected against the possibility that their entitlement to an ill-health pension (in the case of serving and former officers) or an injury award (in the case of former officers only) might be less than it would have been before these Regulations were made.

The regulation and Schedule also make provision for periods of reckonable pensionable service which are required before an officer is entitled to an award (such as an ordinary

pension after 25 years) to be available to an officer with part-time service at the same point as if he or she had been in full-time pensionable service throughout. They also provide that awards which are based on the officer's average pensionable pay, which is always related to what a person would receive had he or she been full-time, should be pro-rated in the case of an officer with part-time service in the manner referred to above.

The Schedule and regulation 2 also provides that those part-time female officers who are buying back pre 1990 service to enhance widowers benefits through periodical payments will be automatically up-rated to enable them to accrue the amount they first elected to buy, unless they elect to purchase pro-rated benefits instead. Previously part-time officers effectively paid lower contributions than full-time officers for an entitlement to the same level of benefit.

Similarly Regulation 3 and Schedule 2 also provide that additional contributions by part-time officers who are in the course of purchasing increased benefits through periodical payments will be up-rated to the full-time equivalent cost. This will allow officers to accrue the amount they first elected to buy, unless again they elect to purchase pro-rated benefits instead. These provisions, and the similar provisions in regulation 2 and Schedule 1 in respect of additional contributions by women officers to make pre-1990 service count for widowers' pensions, are not backdated, in order to ensure that the added benefits so far are protected.

Regulation 4 provides for interest on late payments in view of the time during which some pensioners may have been paid a smaller pension than due to them under the back-dating provisions of these regulations.

Regulation 5 provides for pensioners who could have taken a lump sum, or could have taken a larger lump sum, before June 2005 as a result of the back-dating provision in these regulations to be able to make the necessary arrangements now.

Consultation

In accordance with the provisions of section 1 of the Police Pensions Act 1976 this instrument was sent in draft to the Police Negotiating Board for consultation. The Regulations have been the subject of consultation with other Government departments and interested parties. The Home Office has already made similar changes to the Police Pension Regulations 1987 and Police Pensions (Purchase of Increased Benefits) Regulations 1987 in England and Wales.

Financial Effects

No Regulatory Impact Assessment has been prepared because no impact on the private or voluntary sector is foreseen. The effect of the changes will be to protect public sector resources.

Scottish Public Pensions Agency September 2005