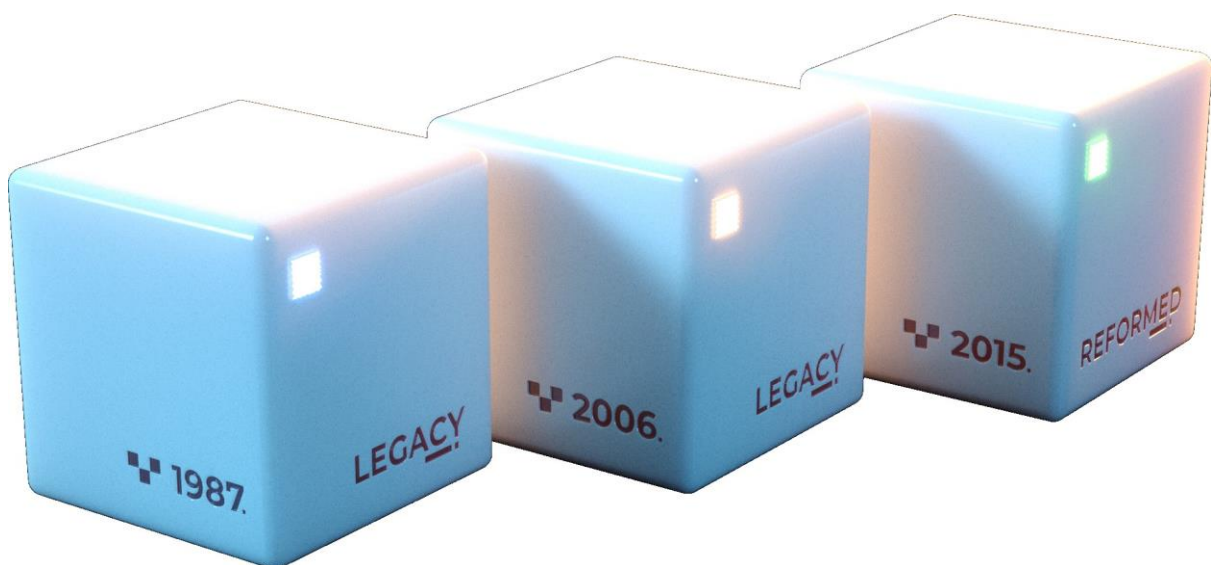


# NPCC Police Pensions Member remedy factsheet

## Added Pension compensation amounts



## Contents

Introduction.....	2
How does remedy treat added pension contributions made during the remedy period in the 2015 scheme?.....	3
How much will my payment be? .....	3
How has the tax relief been calculated?.....	3
How has interest been calculated?.....	3
What do I need to do now? .....	3
What happens to your previous election for Added Pension? .....	4
How will the payment be made? .....	4
When will the payment be made?.....	4
Can I purchase Added Pension in the 2015 PPS? .....	4
Can I purchase Additional Service in the legacy scheme? .....	4
Appeals.....	4
Legislation.....	5
Disclaimer .....	5

## Introduction

When members are returned to their legacy scheme for the remedy period 1 April 2015 to 31 March 2022, any Added Pension contributions that have been paid during that period into the 2015 scheme must be returned to the member. This is because Added Pension arrangements do not exist in the legacy pension schemes and therefore it is not possible for these types of benefits to form part of the member’s pension benefits in the legacy scheme.

These contributions are to be automatically returned to the member by way of a compensation payment so that the Added Pension benefits accrued within the remedy period can be fully extinguished to comply with the legislation upon rollback to the legacy schemes.

## How does remedy treat added pension contributions made during the remedy period in the 2015 scheme?

Service in the remedy period must be rolled back to the relevant legacy scheme and any voluntary contributions for additional benefits must be addressed in implementing the remedy. In the 2015 Police Pension Scheme (PPS), Added Pension is the only available voluntary additional benefit. Added Pension is not available in the police legacy schemes.

The Government considered various ways of converting Added Pension to alternative benefits in the legacy schemes, but all the options either had restrictions on them, meaning that they could not be guaranteed to apply in all cases or, they would lead to a difference in treatment between cohorts of members. The only available option to be able to apply remedy consistently to all members is for any such contributions to be dealt with under the compensation provisions.

## How much will my payment be?

The compensatable payment will be made up of three elements and this will be unique to you depending on how much you have paid in Added Pension contributions. This amount will then be adjusted to reflect the tax relief that you received when you initially paid the contributions. And finally, interest will be added to the net amount calculated for each Scheme Year.

The value of these amounts will be provided to you by your force.

## How has the tax relief been calculated?

Your taxable pay will be used to work out the marginal rate of tax that applied to you for each year that you purchased Added Pension.

## How has interest been calculated?

For each Scheme Year where Added Pension is purchased, interest applies from 1 October in that year to the date that the payment is expected to be made. Interest is calculated on the amount after the reduction for tax relief amounts and is applied as a simple interest at a rate of 8% per annum.

## What do I need to do now?

Your force will write to you with details of your payment. When you receive this, you should complete and return the bank details form.

If you are an active serving Police Officer and wish to purchase Added Pension in the 2015 PPS, then you should [contact your Pension Administrator](#) for more information.

### What happens to your previous election for Added Pension?

The original election made by you to purchase Added Pension within the remedy period will effectively be made null and void, with any Added Pension benefits being completely extinguished.

### How will the payment be made?

You will receive a letter from your force giving you the details of the payment that is due to you, to receive it you will need to complete the bank details form enclosed with the letter and return so that payment can be made to your specified account.

### When will the payment be made?

Arrangements for the payment will be made as soon as possible after your completed bank details form has been received.

### Can I purchase Added Pension in the 2015 PPS?

If you are still an active serving Police Officer, you can choose to purchase Added Pension in the 2015 PPS for either the 2023/24 and or the 2024/25 Scheme Year. There are strict time limits for making any elections, and you should [contact your Pension Administrator](#) in the first instance. You do not need to wait to receive your compensatable payment to do this.

### Can I purchase Additional Service in the legacy scheme?

You may be able to make a Contingent Decision claim for Additional Service, but this is subject to strict criteria. More information about Contingent Decisions can be found on the Member Remedy Documentation page of the Police Pension website: – <https://policepensioninfo.co.uk/member-remedy-documentation/>

### Appeals

You have the right to appeal how the tax relief has been calculated as this is the only part that has been determined by the Scheme Manager. You may wish to raise an appeal if for example, you have additional income which affects your marginal rate of tax.

You should notify the Scheme Manager in writing that you wish to appeal the determination of the calculation of the tax relief. You will need to provide a reasoned explanation of a proposed alternative amount and provide any supporting evidence that you consider appropriate.

The Scheme Manager will review your appeal and decide whether to alter their original determination or not and confirm this to you.

## Legislation

The legislation that applies to dealing with added pension for remediable service is: –

1. [The Public Service Pensions and Judicial Offices Act \(PSPJOA 2022\)](#)
  - Voluntary contributions – [Section 20](#)
2. [HM Treasury – The Public Service Pensions \(Exercise of Powers, Compensation and Information\) Directions 2022](#)
  - Interest rates – Direction 14, paragraph 5
3. [The Police Pensions \(Remediable Service\) Regulations 2023 \(Police Scheme Remediable Regulations\)](#)
  - Treatment of reformed scheme added pension payments – [Part 5, Regulation 27](#)
  - Home Office consultation on remediable regulations – [Paragraphs 4.16 to 4.17](#)

## Disclaimer

This factsheet has been prepared by NPCC using the regulations as they stand at February 2024, however they should be used only as an informal view of the interpretation of the Police Pension Scheme as only a court can provide a definitive interpretation of legislation.

This factsheet should not be interpreted as legal advice.

