

## Statement about the production of Immediate Choice Remediable Service Statements (IC-RSS)

The National Police Chiefs' Council (NPCC) Pensions Team represents the 43 Chief Constables of England and Wales in their role of scheme managers for the police pension scheme. However, they do not act as either the scheme manager or administrator and are not able to comment on any member's individual position, or the progress of individual administrators in delivering Remediable Service Statements (RSS) to members.

However, NPCC can confirm what information has been issued on delivery of RSS and the guidance supplied to administrators.

### Main issue affecting IC-RSS'

The main issue affecting the rollout of IC-RSS for retired members has been an issue identified in the HMRC legislation which does not allow for rectification of previously paid tax charges on lump sums (known as an [unauthorised payment](#)) when new top-up lump sums are now due.

A [factsheet for members](#) which explains this technical issue about the unauthorised payments was published in May 2024 and has been regularly updated as the situation has developed.

### Remedy timeline

In advance of amended legislation being laid, [HMRC published guidance](#) on this specific issue in late September 2024, and NPCC commented on this in the [immediate choice remediable service statement factsheet](#) in October 2024.

NPCC notes that some members have raised concerns in letters sent to MPs about paragraph 37 of the [immediate choice remediable service statement factsheet](#); for clarity, the nationally agreed timetable is a reference to the [NPCC member remedy factsheet – remedy timeline](#), which outlined a broad framework for administrators regarding prioritisation of issuing RSS' to cohorts of members. The intention was to prioritise involuntary leavers during the remedy period as well as vulnerable members and dependants, where possible.

The majority of normal retirements during the remedy period were fully protected members who left with legacy benefits which, in most cases, provided the best value benefits for them.

**It is important to note that paragraph 37 is not a reference to the statutory date as set out by [Section 29, paragraph 10a](#) of the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA), but instead refers to the nationally agreed timetable.**

### Locally administered scheme

The [immediate choice remediable service statement factsheet](#) noted that, while the [HMRC guidance](#) has been published on handling cases involving an [unauthorised payment](#), it may not mean that it could be used for all cases.

The HMRC guidance has been specifically written to address the issue that the current legislation does not cover; the offsetting of previously paid unauthorised amounts against new unauthorised amounts arising due to top-up payments. However, the guidance does not provide instructions on how administrators should provide an IC–RSS, or how elections made by members on receipt of an IC–RSS should be calculated – for example, some members may choose to receive a lower lump sum than the unauthorised amount in order to avoid paying any unauthorised payment tax charge.

There are 12 pension administrators who provide services to 43 police forces of differing sizes and capacity, this means that each of the 12 administrators must individually understand, interpret and apply the guidance, which can lead to inconsistencies. Without a common framework in place, there is a risk of different outcomes for members in the same situation but with a different administrator.

Therefore, necessarily some discovery time has been needed by administrators to work through this guidance, in conjunction with the existing tax regulations, to ensure that the calculations required for all the various types of scenarios are adequately understood.

### Ongoing work

To ensure consistent outcomes and provide necessary support, the NPCC pensions team are working closely with the Government Actuary Department (GAD) to develop an understanding of the processes needed to calculate the top-up lump sums and associated tax charges, We are also being aided by one of our administrators who are fortunate in their size and ability to have the technical capacity they can offer to assist us in this national work.

The aim is to provide a consistent methodology using the HMRC guidance on offsetting so IC–RSS' can be reliably provided in the same way.

This work does not prevent administrators from applying the HMRC guidance in some circumstances. However, several technical questions have emerged, and administrators seek clarity on the application of the HMRC guidance.

We provided a further update on [12 November 2024](#), and, while we have not been able to publish a further update as yet, this is not due to inactivity. The work is ongoing and a significant amount of behind-the-scenes effort is required to resolve the issues at hand.

We understand and share the members' frustration with ongoing delays in addressing these issues.

### Progress on issuance of IC–RSS'

Despite these challenges, significant progress has been made in issuing remediable service statements for both active and pensioner police pension scheme members, and the police sector across England and Wales are expecting to deliver the majority of statements by 31 March 2025.

We are working with the forces and the pension administrators to implement a communication plan. This will ensure that where, in some limited cases and specific scenarios, it may not be possible to provide a member with their remediable service statement by the statutory deadline, that these members are communicated with so that they can understand their position and the timescales to receive their statement. Such cases are likely to include members awaiting an ill health re-assessment to determine benefit options or those where pensions sharing orders apply, for which the guidance on this is not yet finalised.

We anticipate that this will affect only a small number of members and are in the process of identifying members that may fall into this category. We do not expect any communications to members affected to be issued until mid to late March 2025 as this will give pension administrators as much time as possible to meet the statutory deadline.

Further information about the approach to managing remedy for the police pension scheme is available in the [age discrimination project update](#) document that was published in May 2024.