



YOUR PENSION – THE OPTIONS

Under the provisions of the Social Security Act 1986 membership of an occupational pension scheme is not a condition of service and you are able to leave the scheme if you wish.

The options are to:

- remain in the Police Pension Scheme;
- contribute to a personal pension plan, and/or;
- contribute to the State Second Pension (S2P).

A decision to leave the Police Pension Scheme may be made at any time. If you have less than two years service and have not transferred in benefits from another Scheme, you will be entitled to a refund of your contributions, less tax and national insurance or a transfer to another suitably approved pension arrangement.

If you have more than two years service or have transferred in benefits from another Scheme, you will be entitled to a deferred pension, payable at the Scheme's normal retirement age; see below for more information.

If you leave the Police Pension Scheme you may apply to rejoin (unless you have already accrued the maximum service permitted in your current Scheme) but you may need to undergo a medical examination at your expense to determine whether you will be eligible for ill-health benefits and will be entered into the Scheme which is in force at the time that you have been approved. NB you will not be eligible to join the 1987 Scheme however you may be able to join the 2006 Scheme.

The details of the Police Pension Schemes are contained in the Police Pension Regulations; a summary of which is in the Member Guide which your Scheme administrator can provide you a copy of. Alternatively this can be found on the website www.gov.uk

Overview of Scheme Entitlements

1987 Scheme	2006 Scheme	2015 Scheme
A pension calculated on the basis of 1/60 th of average pensionable pay (APP) for each year of service. Service after 20 years counts as double providing a maximum pension of two-thirds of APP after 30 years service.	A pension calculated on the basis of 1/70 th of average pensionable pay (APP) for each year of service. The maximum length of service that can count towards an NPPS pension is 35 years.	A pension of 1/55.3 th of your pensionable earnings for each year you are a member of the pension scheme.



1987 Scheme	2006 Scheme	2015 Scheme
APP is normally your pensionable pay for your final 12 months of service. If your pensionable pay in one of the preceding two years was higher, then this will be used instead.	APP is the highest pensionable pay in the previous three years before retirement, or the average of any three successive years in the seven years before that.	As a career average scheme, you will accrue pension of 1/55.3 of your pensionable earnings for that year.
If you have 25 years pensionable service, you can retire with an ordinary pension paid immediately on retirement once you reach age 50. If you have 30 years pensionable service, you may retire with an immediate pension before age 50.	An ordinary pension on retirement at age 55.	A pension at the normal pension age of 60 with the option to take early payment from age 55 subject to a reduction being applied.
Commute up to ¼ of the pension for a tax free lump sum.	A tax free lump sum of four times the annual pension.	Commute part of your pension in exchange for a lump sum not exceeding 25% of your pension fund.
An ill-health pension payable to members with at least two years pensionable service who have to retire on health grounds. These may be enhanced according to service and are index-linked.	An ill-health pension payable to members with at least two years pensionable service who have to retire on health grounds and are index-linked. Ill-health pensions are only enhanced where the officer is incapable of any regular employment and is below retirement age.	An ill-health pension payable to members with at least two years pensionable service who have to retire on health grounds and are index-linked. Ill-health pensions are only enhanced where the officer is incapable of any regular employment and is below retirement age.
A pension for a spouse or civil partner, payable for life, which is normally half of the officer's pension entitlement, payable together with children's allowances, as appropriate and are index linked.	A widow(er)'s, civil partner and the provision for a partner's pension, payable for life, which is normally half of the officer's pension entitlement, payable together with children's allowances, as appropriate and are index linked.	A widow(er)'s, civil partner and the provision for a partner's pension, payable for life, which is normally half of the officer's pension entitlement, payable together with children's allowances, as appropriate and are index linked.



A death-in-service grant of two times annual pensionable pay.	A death-in-service grant of three times annual pensionable pay.	A death-in-service grant of three times your final pay. Final pay is calculated as the higher of the final 12 months of service or pensionable earnings in any of the previous 10 scheme years.
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OPTING OUT OF THE POLICE PENSION SCHEME

If you opt out with more than two years service you will be entitled to:

1987 Scheme	2006 Scheme	2015 Scheme
A deferred pension at 60; this will not be paid earlier unless you are prevented from taking up employment due to poor health or disablement.	A deferred pension at age 65 although it is possible to take early payment from age 55 subject to a reduction.	A deferred pension at state pension age although it is possible to take early payment from age 55 subject to a reduction.
If you have accrued 30 years service, your pension will become payable when you leave the Force, however please note that the lump sum is determined at the date of retirement. After age 48 and 6 months the factor gradually decreases which means that the lump sum commutation will in turn decrease.		

There are a number of consequences of opting out to bear in mind including;

- If you die while in service but you are not a member because you have opted out, you are not covered for death in service benefits therefore no death grant is payable. A surviving adult pension and an eligible child pension may be payable in the event of your death.
- As a Scheme member you receive tax relief on your pension contributions and until April 2016 you also pay lower National Insurance contributions; these will increase should you opt out of the Scheme (meaning you will not receive all of your contributions back in your salary).
- Any future pay increases would not be reflected in the pension for an officer who is not a current contributing member of the Police Pension Scheme.



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- You cannot transfer your deferred benefits to an alternative pension provider unless it is to a scheme that does not provide flexible benefits.
- If you rejoin the Pension Scheme within five calendar years, you are able to link your new 2015 Scheme service with your previous scheme service as if you had always been an active member. You will be able to take your previous Scheme benefits at the relevant retirement age for an active member and receive a link to your salary at the point you leave / retire. If you rejoin after the five year period you will not be entitled to the final salary link and your previous pension will remain deferred until the pension ages stated above.

YOU ARE STRONGLY ADVISED TO SEEK INDEPENDENT FINANCIAL ADVICE BEFORE MAKING YOUR DECISION.

PERSONAL PENSIONS

A very brief description of personal pension arrangements is given here. Anyone considering this option would need to obtain independent financial advice.

- the contributions are invested and produce a sum of money, which may be used on retirement to buy an annuity from an insurance company.
- the pension can be protected against inflation with annual increases
- the personal pension provider would have to be asked a number of questions to establish, for example what options are available at retirement
 - what pension is payable to a surviving spouse/civil partner
 - what happens to the personal pension if death occurs before retirement
 - what additional contributions have to be paid to provide children's allowances
 - what additional contributions have to be paid to provide for the early payment of benefits in the event of ill-health.

THE STATE SECOND PENSION (S2P)

The State Second Pension provides a pension payable from state retirement age in addition to the basic state pension. You can obtain a forecast of your State benefits on-line at:

www.gov.uk/state-pension-statement

Equiniti Administering Pensions on behalf of the Metropolitan Police Service



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Police Pension Scheme - Option Form (Form 8481)

Please read carefully the notes enclosed entitled "YOUR PENSION – THE OPTIONS" before deciding whether you wish to opt out of the Police Pension Scheme. Please then read and complete this form if appropriate.

This form should be completed by:

- (a) Any new entrant not wishing to become a member of the Police Pension Scheme, and then passed to Recruit Admin.
- (b) Any serving officer not wishing to remain a member of the Police Pension Scheme and sent to the above PO Box address or through the internal mail to CGI - Pensions.

TO BE COMPLETED IN BLOCK CAPITALS

Surname _____

First Name _____

Rank _____

Warrant Number _____

Date of Birth _____

Location & Divisional No. _____

Date of Joining _____

Nat. Ins. No. _____

Declaration

I have read the notes entitled "YOUR PENSION – THE OPTIONS".

I do not wish to become/remain a member of the Police Pension Scheme.

I understand that

- (1) I am giving up my rights to benefits from the Police Pension Scheme (apart from those already earned);
- (2) If I choose to opt out of the pension scheme within 12 months after opting in, I will not be able to opt in again until the end of that period of 12 months.

Signature _____ Date _____

Telephone Number _____

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