

## **2015 Police Pension Scheme**

### **2021 active benefit statement**

#### **Introduction**

These notes provide more explanation of the information contained in your 2021 annual benefit statement.

#### **News**

##### **Age discrimination court case**

This year's Annual Benefit Statement provides an estimate of pension benefits built up in your current scheme membership to 31 March 2021.

On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to eligible members in service as at 31 March 2012 in all the main public service pension schemes.

The Government has consulted on the changes needed to remove discrimination from the schemes and work is ongoing to make these changes. For further information please see the 4 February 2021 Written Ministerial Statement: [Written statements - Written questions, answers and statements - UK Parliament](#)

The work to make the legislative and systems changes to enable revised benefits to be calculated and the effects of discrimination to be removed is complex and will take time. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

##### **When can I take my benefits?**

The information provided in this statement is based on you leaving active membership the day before your Normal Pension Age (NPA). You can choose to retire from age 55, however your 2015 pension benefits will be reduced if you take them before your NPA.

If you leave the 2015 scheme before benefits are payable, your NPA will change to become the equivalent of your state pension age.

If you take your pension before your NPA, reductions may be applied to your pension. If you take your pension after your NPA, increases will be applied. At any time, the Government may change the factors and methodology used to calculate the reductions and increases which may result in a corresponding change to the pension you are paid at retirement.

**What options do I have when I take my benefits?**

When you take your pension you will have the option to exchange some of your pension for a tax free lump sum. We have shown the benefits based on not giving up annual pension and on giving up the maximum pension possible.

**Partner's pension**

A surviving partner's pension is shown if our records indicate you are married or in a civil partnership.

You can use a nomination of cohabiting partner form, available from our website, if you are not married or in a civil partnership and wish to nominate a cohabiting partner.

If you have a spouse or civil partner, they automatically qualify to receive a pension if you were to die in service, provided you married or formed a civil partnership at least 6 months before you died. This is a scheme benefit that is paid to surviving partners and will not reduce or affect your pension even if you do not have a partner.

If you have a declared partner and meet certain conditions, your partner may be eligible for a pension even though you are not married or in a civil partnership. You cannot nominate anyone else to receive a partner's pension.

If you are currently married but subsequently re-marry after you retire, your new spouse may not be entitled to as much pension as your original spouse was.

If your surviving partner is more than 12 years younger than you, his or her pension will be reduced to reflect the age difference. This reduction will be 2.5% for every year or part of a year by which he or she is more than 12 years younger than you, up to a maximum reduction of 50%.

Your dependent children may also be eligible to receive a pension if you die in service and they meet certain conditions. Please see our website for more information.

**Your pensionable pay**

Your pensionable pay was provided by your employer. If you do not agree with the amount shown on your statement, please contact your employer.

### **Death grant lump sum**

If you die while contributing to the scheme, a lump sum death grant will be paid to:

- your spouse or civil partner, or
- your declared partner, at the Chief Constable's discretion, or
- a nominee, if you do not have a partner, at the Chief Constable's discretion, or
- your personal representative, as part of your estate.

You can provide a nomination or update an existing one on the Member Portal. Alternatively you can complete a Death grant expression of wish form available from our website.

**Please note** – the death grant lump sum would only be paid to your nominee in the event that you do not leave a surviving partner. In the absence of a surviving partner or valid nomination, the death grant would be paid to your estate and would therefore be subject to inheritance tax.

### **Lifetime Allowance (LTA)**

The LTA applies to the value of your combined UK registered pension schemes and some overseas schemes; the value shown relates to this pension.

Most people's benefits will not exceed the LTA, but we need to provide this information to everyone.

The information shown here is not a transfer value. To obtain a transfer value, please complete a Cash Equivalent Transfer Value form, available from our website

The LTA for 2020/21 is £1,073,100. There will be no update to the LTA for five years from 6 April 2021. Please see our website for more information.

The value shown is based on the pension benefits on this statements only.

### **Annual Allowance**

HM Revenue and Customs sets an annual allowance, which is the amount by which your benefits can increase in a year without being subject to tax. The standard annual allowance is currently £40,000. If you have exceeded the standard annual allowance limit in the year you will receive a Pension Savings Statement by 6 October 2021.

A tapered annual allowance may apply for people with adjusted income of £150,000 and over. If you think this applies to you, please contact us.

You can find more information about annual allowance on our website.

