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SCOTTISH STATUTORY INSTRUMENTS

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**2015 No. 142**

**The Police Pension Scheme (Scotland) Regulations 2015**

**PART 8**

**Benefits for pension credit members**

**Interpretation**

**115.** In this Part, “claim date” has the meaning given in regulation 117 (claim for payment of pension credit member’s pension).

**Entitlement to pension credit member’s pension**

**116.** A pension credit member (P) of this scheme who has reached normal minimum pension age is entitled to payment for life of a pension credit member’s pension under this scheme if—

- (a) the pension sharing order under which P is entitled to the pension credit has taken effect;
- (b) P has claimed payment of the pension under this Part; and
- (c) the scheme manager is satisfied that on the claim date the requirements of regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000<sup>(1)</sup> are met.

**Claim for payment of pension credit member’s pension**

**117.—**(1) The claim for payment of a pension credit member’s pension may only be made by written notice to the scheme manager.

- (2) The notice must specify the date from which payment of the pension is claimed (“claim date”).
- (3) The notice must be given at least one month before the claim date.

**Payment of pension credit member’s pension**

**118.** A pension credit member’s pension is payable in respect of each month as from the claim date.

**Annual rate of pension credit member’s pension**

**119.** The annual rate of a pension credit member’s pension is calculated by—

- (a) taking the amount of credited pension specified in the pension credit member’s account;
- (b) subtracting the early payment reduction (if any) specified in that account in relation to that amount; and
- (c) subtracting the commutation amount (if any) specified in that account in relation to that amount.

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(1) [S.I. 2000/1054](#).

### **Pension credit member's rights**

**120.**—(1) If regulation 7(5) of the Pension Sharing (Pension Credit Benefit) Regulations 2000 (early retirement or deferred retirement) applies, the scheme manager must be reasonably satisfied that the requirements of that regulation have been met.

(2) Benefits that are attributable (directly or indirectly) to a pension credit may not be aggregated with any other benefit to which a pension credit member is entitled under this scheme.

(3) If a pension credit member is a dual capacity member, benefits are payable to or in respect of the member in each of the member's capacities.

### **Option for pension credit member to commute part of pension**

**121.**—(1) A pension credit member who becomes entitled to payment of a pension credit member's pension under this scheme may opt to exchange part of the pension for a lump sum.

(2) The option under this regulation may only be exercised—

- (a) by written notice to the scheme manager; and
- (b) before the first payment of the pension is made.

(3) If a pension credit member exercises the option under this regulation, for every £1 by which the amount of the member's annual rate of pension credit member's pension is reduced, the member must be paid a lump sum of £12.

(4) A pension credit member may not exchange pension for lump sum under this regulation to the extent that it would result in a scheme chargeable payment for the purposes of Part 4 of FA 2004 (see section 241 of that Act).

(5) This regulation does not apply if the pension debit member from whose rights the pension is derived received a lump sum under Part 7 (retirement benefits) before the date on which the pension sharing order takes effect.

### **Option for pension credit member to commute whole pension (serious ill-health)**

**122.**—(1) This regulation applies in relation to a pension credit member whom a selected medical practitioner certifies has a life-expectancy of less than 12 months.

(2) The pension credit member may opt to exchange the whole of the pension credit member's pension under this scheme for a lump sum.

(3) The option under this regulation ("this option") may only be exercised—

- (a) by written notice to the scheme manager; and
- (b) before the first payment of the pension is made.

(4) The lump sum—

- (a) is an amount equal to the total annual amount of the pension credit member's pension, multiplied by 5; and
- (b) must be paid to the pension credit member as soon as is reasonably practicable after this option is exercised.

(5) In this regulation, "total annual amount" in relation to a pension credit member's pension means the total of—

- (a) the annual rate of pension to which the member would be entitled apart from this option, calculated as at the date this option is exercised, but without subtracting the early payment reduction (if any); and
- (b) the amount of increase (if any) in the annual rate of that pension under PIA 1971 calculated as at that date.

(6) The payment of a lump sum under this regulation in place of a pension discharges all liabilities under this scheme in respect of that pension.