

EXPLANATORY MEMORANDUM

The Police Pensions (Amendment) (No. 2) Regulations 2004

2004 No. 1760

This explanatory memorandum is laid before Parliament

by Command of Her Majesty

**This memorandum contains information for House of Lords Select Committee
on the Merits of Statutory Instruments**

Department responsible: Home Office

1. This instrument will, subject to annulment in pursuance of a resolution of either House, come into force on 1st August 2004 and make revisions to the Police Pensions Regulations 1987 (S.I. 1987/257). The revisions relate to a bilateral agreement between the Police Pension Scheme and the British Transport Police Force Superannuation Fund (BTPFSF) to provide better arrangements for officers who are transferring between a Home Department force and the British Transport Police Force (BTPF) to transfer the pension rights they have built up so far in their former force with them into the pension scheme of their new force.

Legislative Background:

2. The instrument is made under sections 1 and 4 of the Police Pensions Act 1976 as amended. The amendments made by the Regulations take effect retrospectively in specified circumstances as permitted by section 1(5) of the Act.

Extent:

3. The instrument applies to England and Wales.

European Convention on Human Rights:

4. In the view of the Minister of State for the Home Department, Hazel Blears, the provisions of the instrument are compatible with the Convention Rights.

Policy background:

5. In order to assist interchange between public service pension schemes there is a multilateral agreement enabling employees who transfer their pension rights between participating schemes to receive broadly equivalent service credit in the new scheme irrespective of any expected further rises in salary.
6. The BTPFSF, which also provides a pension after 30-years but with a different accrual rate and benefits, is not a member of the Public Sector Transfer Club. In order to facilitate transfers between the BTPF and an HD force the Home Office, on behalf of the Police Pension Scheme, is concluding a bilateral

agreement with the BTF SF to operate pension transfers on terms equivalent to the Transfer Club.

7. Regulation 3(1) to (5) sets out the changes to the Police Pensions Regulations to give effect to the bilateral agreement. In particular it provides for the handling of a transfer payment received by a police authority under the bilateral agreement in respect of a person who becomes a police officer on or after 1 August 2004 having previously served in the BTPF. In the case of person who is aged 55 or over at the time of the transfer, that more favourable treatment will require the agreement of the BTPFSF and of the police authority concerned.
8. Regulation 2 provides for the Police Pensions Regulations as amended by Regulation 3(1) to (5) to be backdated to 30 April 1998, the date when the Police Negotiating Board agreed to bilateral arrangements to recognise the rank and service of transferees from the BTPF for the purposes of pay. Regulation 2 follows the terms of the bilateral agreement by providing for backdating in two stages:
 - full backdating for officers who transferred between 1 February 2001, the date when the Strategic Rail Authority was established, and 31 July 2004;
 - backdating at the discretion of the police authority in the case of officers who transferred between the BTPF and an HD Force between 30 April 1998 and 31 January 2001.
9. Regulation 3(6) and (7) corrects minor errors introduced into the Police Pensions Regulations 1987 by the Police Pensions (Amendment) Regulations 2004 (S.I. 2004/1491).

Consultation:

10. In accordance with the provisions of section 1 of the Police Pensions Act 1976 this instrument was sent in draft to the Police Negotiating Board for consultation. The instrument was amended in the light of some of the responses received from the Police Negotiating Board.

Impact:

11. No Regulatory Impact Assessment has been prepared because no impact on the private or voluntary sector is foreseen. The instrument is not expected to have a significant additional impact on public sector resources since the increase in the cost for police pensions as a result of more years of pensionable service being credited on a transfer-in to a force should be mitigated by the more effective interchange of skills and experience between the BTPF and HD forces.

Contact:

12. Further information on this instrument can be obtained from:
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