

EXPLANATORY MEMORANDUM TO
THE POLICE PENSIONS (AMENDMENT) REGULATIONS 2009

2009 No. 2060

1. This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

2.1 The instrument amends existing regulations which deal with police officer pensions and retirement benefits. It extends the scope of these regulations so that they apply to employed constables in the National Policing Improvement Agency (NPIA). The instrument also closes a gap in the Police Pensions Regulations 2006 to limit the amount of pensionable service officers may build up in the New Police Pension Scheme 2006, where they have previously been members of the Police Pension Scheme 1987.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 The instrument has effect from 1st April 2007, except as set out in regulation 1. 1st April 2007 is the date the NPIA came into being. Retrospective effect is permitted by section 1(5) of the Police Pensions Act 1976.

4. **Legislative Context**

4.1 The instrument widens the scope of existing regulations providing for police officer pensions and retirement benefits to include employed constables of NPIA. The NPIA was created by the Police and Justice Act 2006 and that Act amended the Police Pensions Act 1976 to broaden the relevant enabling powers to enable the amendments set out in this instrument to be made. This is the first exercise of the powers in the 1976 Act since they were broadened by the 2006 Act. The instrument also amends the Police Pensions Regulations 2006 to close a gap related to the build up of pensionable service.

5. **Territorial Extent and Application**

5.1 This instrument applies to England and Wales.

6. **European Convention on Human Rights**

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

7.1 Police officer pensions and retirement benefits are set out in the Police Pensions Regulations 1987 (the **old police pension scheme**), the Police Pensions Regulations 2006 (the **new police pension scheme**) and the Police (Injury Benefit) Regulations 2006. The instrument amends each of these so that they apply to employed constables of NPIA and these changes have effect from 1st April 2007 (being the date on which the NPIA came into being). Employed constables will generally have been members of a Home Office police force before joining the NPIA and will therefore have built up pensionable service in one of the police pension schemes. Following the amendments in this instrument, upon joining NPIA, they will remain within their police pension scheme, with the same pensions and retirement benefits applying.

7.2 The instrument also amends the Police Pension Fund Regulations 2007 to enable the NPIA to participate in the same system of pension scheme financing as operated by all Home Office forces, which is based on employer and employee contributions being paid into a pension account which is kept separate from the force's operating account. These changes also have effect from 1st April 2007.

7.3 The instrument also amends the new police pension scheme to cover the case where a person transfers from the old police pension scheme into the new police pension scheme. Specifically, it deals with the case where a person transfers some of his pensionable service into a private pension scheme before joining the new police pension scheme. The instrument provides that account will be taken of pensionable service transferred into a private pension scheme when calculating the maximum additional service a person can acquire under the new police pension scheme. This is to ensure that those who reduce their holding of pensionable service in the old police pension scheme before joining the new police pension scheme do not gain an undue advantage. These changes do not have any retrospective effect and will only apply to persons who join the new police pension scheme on or after 1st September 2009.

Consolidation

7.4 The Home Office, the Scottish Government and the Northern Ireland Office intend to consolidate the old police pension scheme in 2010 on a UK-wide basis. There are currently separate regulations in place for England and Wales, Scotland and Northern Ireland.

8. Consultation outcome

8.1 The instrument was the subject of statutory consultation with the Police Negotiating Board (PNB) under section 1 of the Police Pensions Act 1976. The PNB Staff Side sent in comments which are reflected in the instrument. We have also collaborated with HM Treasury and the NPIA in agreeing the policy set out in this instrument.

9. Guidance

9.1 A Home Office Circular will be issued to the NPIA and Home Office forces with guidance on the provisions of the instrument. This will also be available on the Home Office website.

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector is limited to the area of police pensions provision. It is not anticipated to result in any increased costs.

10.3 An Impact Assessment has not been prepared for this instrument. This is because no impact on business, charities or voluntary bodies is foreseen and the impact on the public sector is negligible.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 Police pensions policy is kept under review by the Home Office together with the PNB. If necessary changes are identified, the legislation will be amended accordingly.

13. Contact

John Gilbert
Police Finance and Pensions Unit
6th Floor, Fry Building
Home Office
2 Marsham Street
London SW1P 4DF
Tel 020 7035 1880
e-mail johnalexander.gilbert@homeoffice.gsi.gov.uk