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STATUTORY INSTRUMENTS

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**2018 No. 530**

**The Police Pension Schemes and Additional  
Voluntary Contributions (Amendment)  
(England and Wales) Regulations 2018**

**PART 6**

**Amendment of the Police Pensions (Additional  
Voluntary Contributions) Regulations 1991**

**New regulation 10C**

**24.** Before regulation 11 (retirement pensions) insert—

**“Retirement Benefits: England and Wales**

**10C.—**(1) A participator may apply some or all of the proceeds of an investment made under regulation 9 to an arrangement with a pension provider for one or more of the following—

- (a) payment of a lifetime annuity;
  - (b) payment of a lifetime annuity and a pension commencement lump sum;
  - (c) a lump sum commutation payment that—
    - (i) reflects the value of benefits referred to in sub-paragraph (a) or (b), and
    - (ii) meets the requirements of regulations 11 and 12 of the Registered Pensions Schemes (Authorised Payments) Regulations 2009 (de minimis rule and payments by larger pension schemes)<sup>(1)</sup>, or
  - (d) a relevant payment to the participator that complies with the requirements of the Finance Act 2004<sup>(2)</sup> (“the 2004 Act”).
- (2) Paragraph (1) is subject to paragraphs (8), (11) and (12).
- (3) The pension provider must provide a participator with an option to receive benefits under paragraph (1)(a) to (c) in accordance with paragraphs (4) and (5).
- (4) Any annuity payable under paragraph (1)(a) or (b) must—
- (a) be incapable, in whole or in part, of surrender, assignation or commutation;
  - (b) commence not earlier than the participator’s normal minimum pension age; and
  - (c) be payable to the participator for life.

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(1) [S.I. 2009/1171](#); regulations 11 and 12 were both amended by [S.I. 2011/1751](#), the Finance Act [2014 \(c. 26\)](#) and the Taxation of Pensions Act [2014 \(c. 30\)](#).

(2) [2004 c. 12](#); relevant amendments to the Finance Act 2004 were made by the Taxation of Pensions Act [2014 \(c. 30\)](#).

(5) A lump sum commutation payment referred to in paragraph (1)(c) may be paid in respect of benefits payable under paragraph (1)(a), (b) or (d).

(6) The pension provider may, in addition to providing a participator with benefits under paragraph (3), provide a participator with alternative benefits options under paragraph (1)(d).

(7) A participator must, no earlier than 3 months before the date from which the participator wishes benefits under these Regulations to be provided, make a benefits election to the police pension authority specifying—

- (a) whether and which benefits are to be provided under paragraph (3) or, alternatively, paragraph (6);
- (b) the pension provider who is to provide each benefit;
- (c) for whom, if anyone, a dependant's benefit is to be provided;
- (d) if more than one benefit is to be provided, either—
  - (i) the proportion of the amount secured by the total investments made under regulation 9 that is to be applied to the purchase or arrangement of each of them, or
  - (ii) the dependants' benefits to be provided expressed as a percentage of the participator's benefits;
- (e) in respect of every annuity to be provided—
  - (i) the annual rate of the annuity,
  - (ii) whether it is to be payable for life or for a fixed period,
  - (iii) whether its rate is to be fixed or to vary and, if it is to vary, how that variation is to be calculated,
  - (iv) whether the rate may reduce, and
- (f) in the case of a participator who chooses a life-time annuity referred to in paragraph (1)(a) or (b) and who dies within a specified period, whether, if the annuity had continued at the rate in force at the time of the participator's death, a lump sum is to be paid and if so, how that lump sum is to be calculated.

(8) If there are exceptional circumstances of serious ill-health, the police pension authority may in their discretion realise the investments made under regulation 9 without purchasing any annuity, and in that event the amount obtained becomes payable as a lump sum.

(9) More than one benefits election may be made under paragraph (7) and an election must—

- (a) be in writing, and
- (b) contain such information as the police pension authority request.

(10) Upon receipt of a notice of election under paragraph (7), the police pension authority must, as soon as reasonably practicable, realise the investments made under regulation 9 and apply the proceeds in the manner specified in it.

(11) Where a participator dies before retirement or after retirement but before benefits under this regulation are paid, the police pension authority must realise the investments made under regulation 9 which are to be payable as a lump sum in accordance with regulation 15(2).

(12) The police pension authority must realise the investments made under regulation 9 and apply the proceeds to the purchase of benefits under these Regulations from a pension

provider in such form as appears to the police pension authority to be suitable where the conditions in paragraph (13) are satisfied.

(13) Those conditions are—

- (a) the date the participator reaches normal minimum pension age is on or after 1st December 1999, and
- (b) the participator has attained the age of 75 and has not given a notice of election under paragraph (7) before doing so.

(14) In this regulation—

- (a) normal minimum pension age has the same meaning as in section 279(1) of the 2004 Act;
- (b) the pension providers means the bodies listed in Schedule 1;
- (c) a relevant payment means a Member's Flexi-Access Drawdown Payment, a Short-term Annuity or a Pension Payment out of Uncrystallised Funds;
- (d) a Member's Flexi-Access Drawdown Payment means—
  - (i) a payment from member's flexi-access drawdown fund within the meaning of paragraph 8A of Schedule 28 to the 2004 Act<sup>(3)</sup>,
  - (ii) a payment from a dependant's flexi-access drawdown fund within the meaning of paragraph 22A of Schedule 28 to the 2004 Act<sup>(4)</sup>, or
  - (iii) a flexi-access drawdown fund lump sum death benefit within the meaning of paragraph 17A of Schedule 29 to the 2004 Act<sup>(5)</sup>;
- (e) a Short-term Annuity means a member's short-term annuity within the meaning of paragraph 6 of Schedule 28 to the 2004 Act<sup>(6)</sup>;
- (f) a Pension Payment out of Uncrystallised Funds means an uncrystallised funds pension lump sum within the meaning of paragraph 4A of Schedule 29 to the 2004 Act<sup>(7)</sup>.

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(3) Paragraph 8A was inserted by section 1 of, and paragraph 3(1) of Part 1 of Schedule 1 to the Taxation of Pensions Act 2014.

(4) Paragraph 22A was inserted by section 1 of, and paragraph 4(1) of Part 1 of Schedule 1 to the Taxation of Pensions Act 2014.

(5) Paragraph 17A was inserted by section 1 of and paragraphs 5 and 24 of Part 1 of Schedule 1 to the Taxation of Pensions Act 2014.

(6) Paragraph 6 was amended by the Finance Act 2005 (c. 7), the Finance Act 2011 (c. 11), the Taxation of Pensions Act 2014 and the Finance Act 2015 (c. 11).

(7) Paragraph 4A was inserted by section 1 of and paragraph 57 of Part 3 of Schedule 1 to the Taxation of Pensions Act 2014.