

Saving for old age



This month sees the introduction of the new police pension scheme.

What could it mean for you?

f To many recruits joining the police service, the 30-year pension has been one of the big plus points of joining the job. However, across the public sector workers have seen their pensions being eroded.

In January last year, for example, proposals were put forward by the NHS employers group to push up the normal retirement age from 60 to 65. Police officers under the current pension scheme can retire at 50 after 30 years service, this has now been increased to 55, under a new 35-year scheme.

Pensions are expected to put a strain on police authority coffers over the next five years as the recruitment hike of the 1970s means there are high numbers of officers due to leave the service and withdraw cash.

The Federation has fought to retain many benefits for its members under the scheme being

introduced this month, but they are advising those under the current scheme to think very carefully before moving over.

Jan Berry, chairman of the Federation, said: 'The new police pension scheme is designed for newly appointed officers and whilst the new scheme is more beneficial than many others in the public sector, we would advise officers to speak to their local branch of the Federation before moving.

'The Federation has worked hard to ensure serving officers retain the protections and benefits of the current pension scheme and few members will benefit from switching.

The new police pensions scheme is a success for the Federation which campaigned vigorously to ensure the new scheme took proper account of the special nature of policing and the dangers inherent in it. After

all, when officers are putting their lives on the line, being assaulted more often than virtually anyone else, working in all weathers and during unsocial hours, it is only fitting that they and their families should feel secure about their futures and protected in any eventuality.'

A review of the police pension scheme has been taking place over the past decade but the Federation has faced trying to balance protecting the current pension benefits while fighting to include cohabiting couples and same sex couples in death benefits.

The new police pension scheme will cover cohabiting and same sex couples but those currently in the old pension scheme should take advice from local Federation representatives before transferring.

The Civil Partnership Act, which came into force in Decem-

ber last year, provides a legal framework for same sex couples to 'marry'. This means that they will be entitled to accrue pension benefits dating back to 1988.

John Francis, general secretary of the Federation, who sits on the Police Negotiating Board (PNB), said that a great deal of time went into ensuring members retained their current pensions and that new recruits would also receive to good pension.

He told *Police*: 'The fact there are no changes to the current scheme and the new scheme is still a very good scheme is a success for us. It took a lot of work to get to where we are.'

The Home Office will announce a 'three month window' in which officers can transfer from the current scheme to the new scheme. Each officer will also be able to obtain a statement of transfer value of their current scheme.



Fill out a form if you are living with your partner

Police officers who want to ensure their cohabiting partners will be entitled to lifelong death benefits if they die must make sure they comply with several conditions under a new scheme coming into force this month.

The new police pension scheme, which comes into effect on April 6, means that police officers who currently live with a partner but are not married or in a civil partnership could only be eligible if they fill out a form and send it to the police authority.

Officers will also need to satisfy a number of conditions if you are cohabiting including; being free to marry or form a civil partnership, cohabiting as partners in an exclusive, committed and long-term relationship and be financially dependent or interdependent.

- Officers can find out more information through local representatives but should seek legal advice if you are thinking of switching your pension from the current scheme to the new scheme.

Main differences between the two schemes:

	Police Pension Scheme	New Police Pension Scheme
Contribution rate:	11 per cent	9.5 per cent
Length of scheme:	30 years	35 years
Pension age:	Dependent on service	55
Retirement age:	Both schemes the same	Both schemes the same
Final benefits	Maximum two thirds of salary	Half salary before lump sum
Commutation/lump sum	Commute up to quarter pension	Lump sum salary x 2
Survivor benefits (death in service)	Max 33 per cent final salary (plus ill-health enhancement)	Max 25 per cent final salary (plus ill-health enhancement)
Survivor benefits:	Spouse/civil partner	Spouse/nominated/partner/civil partner
Survivor benefits	Cease on remarriage/	Lifelong
Death-in-service lump sum:	Salary x 2	Salary x 3
Ill health retirement:	One tier (enhanced after five years' service)	Two tiers (no enhancement on lower tier after two years' service)

- A full Members' Guide for the new scheme will be published in March. Contact your local Federation for further advice.