

SCHEDULE 2

Regulation 3

AMENDMENTS OF THE POLICE PENSIONS (PURCHASE OF INCREASED BENEFITS) REGULATIONS 1987

1. In regulation 7—
 - (a) for “regulations 4(3) and 5(3),” substitute “regulations 4(3), 5(3) and 7A”;
 - (b) after “in accordance with such an election” insert “or the payment of a lump sum under regulation 5(5)”; and
 - (c) at the end insert “or, as the case may be, the making of a reduced lump sum payment or no such payment”.
2. After regulation 7 insert—

“Variation of elections

7A.—(1) Where a person has made an election under regulation 3 to pay additional contributions by periodical payments before the date on which the Police Pensions (Part time Service) Amendment (Scotland) Regulations 2005 come into force and is in part time service on that date, the payments payable by him or her shall, subject to paragraph (2), increase from that date to such amount as is appropriate as a result of paragraph 2(3) of the Schedule.

(2) Such a person may vary the election by notice in writing to the police authority given within the period of 3 months beginning with the date on which the Police Pensions (Part time Service) Amendment (Scotland) Regulations 2005 come into force, and that variation shall take effect as from that date.

(3) Where—

- (a) a person has made an election under regulation 3 to make payment by periodical contributions whilst in full-time service; and
- (b) his or her service becomes part time after the date on which the Police Pensions (Part time Service) Amendment (Scotland) Regulations 2005 come into force,

the contributions payable for the number of additional sixtieths to which the election relates shall, subject to paragraph (4), be such amount as is appropriate as a result of paragraph 2(3) of the Schedule.

(4) Such a person may vary the election by notice in writing to the police authority given within the period of 3 months beginning with the date on which the service becomes part time, and that variation shall take effect as from that date.

(5) Where a person makes such an election on or after the date on which the Police Pensions (Part time Service) Amendment (Scotland) Regulations 2005 come into force and he or she is in part time service on that date, he or she shall notify the police authority in writing that either—

- (a) the payments payable by him or her are to be payable at the same amount of his or her pay as if he or she were in full-time service; or
- (b) those payments are to be payable in accordance with paragraph (7).

(6) Where a person varies his or her election under this regulation, the contributions payable by him or her by periodical payments shall, from the date that the Police Pensions (Part-time Service) Amendment (Scotland) Regulations 2005 come into force, continue to be payable as they were before the variation, but the benefits which he or she is entitled to reckon shall be given by the formula—

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$$\frac{P \times V}{F}$$

where—

P is the benefits he or she would be entitled to reckon if periods of part time service were reckonable as if they were periods of full-time service;

V is the amount of contributions paid by periodical payments; and

F is the amount of contributions that would have been paid by periodical payment had there been no election.

(7) Where a person makes a notification under paragraph (5)(b), the payments payable by him or her as a lump sum or by periodical payments shall be payable at the same percentage of his or her pay as if he or she were in full-time service, but the benefits which he or she is entitled to reckon shall be given by the formula set out in paragraph (6), save that references to contributions paid by periodical payments shall include references to contributions paid as a lump sum.”

3. In regulation 8(1)(a) after “or” insert “failed to pay the whole or part of a lump sum payment on those grounds under that regulation, or”.

4. In paragraph 1(2) of the Schedule (lump sum payments) after the definition of “his age” insert—
 ““pensionable pay” in relation to any person who is not in full-time service throughout the appropriate period, means the amount that would be his or her pensionable pay if he or she were a full-time member of the police force; and”.

5. In paragraph 2 of the Schedule (payment of periodical contributions), after sub paragraph (2) insert—

“(3) In this paragraph “pensionable pay” in relation to a person’s period of service which is not wholly full-time service, means the amount that would be the person’s pensionable pay if he or she were a full-time member of the police force.”.

6. After paragraph 3 of the Schedule insert—

“Inland Revenue limits on contributions

4.—(1) The amounts of the payments to be made in accordance with paragraphs 2 and 3(1)(b) of this Schedule in any tax year must not, when aggregated with any other contributions payable by the member under the principal Regulations or the Police Pensions (Additional Voluntary Contributions) Regulations 1991(1), exceed the amount in respect of which the member is allowed a deduction for that year under section 594(1) of the Income and Corporation Taxes Act 1988 (tax relief for contributions to exempt statutory schemes).

(2) The amounts of the payments to be made in accordance with paragraphs 1, 2 and 3 of this Schedule in any calendar month must not, when so aggregated, exceed one twelfth of the amount in respect of which the member is allowed a deduction for the tax year in which the month falls under section 594(1) of the Income and Corporation Taxes Act 1988 (by virtue of which contributions payable by a Class A member in a tax year must not exceed the permitted maximum for the year).

(3) Where a lump sum payment is reduced by virtue of this paragraph the member’s number of additional sixtieths is reduced in accordance with the following formula—

(1) S.I.1991/1304.

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$$\frac{A \times B}{C}$$

where—

A is the member's number of additional sixtieths;

B is the amount of the reduced payment; and

C is the amount that the payment would be if the reduction under this paragraph were not made.

(4) For each periodical contribution payment that is reduced by virtue of this paragraph the member's number of additional sixtieths is reduced in accordance with the following formula—

$$\frac{A \times B \times C}{D \times E}$$

where—

A is the member's number of additional sixtieths;

B is the period to which the periodical contribution relates (expressed as a fraction of a year);

C is the amount of the reduced periodical contribution;

D is the period over which the periodical contributions are payable (expressed as a fraction of a year); and

E is the amount that the periodical contribution would be if the reduction under this paragraph were not made.

(5) In this paragraph "tax year" means a year of assessment."