



SCOTTISH PUBLIC PENSIONS AGENCY

To:-
Members of the Police Negotiating Board

Other interested parties (listed below)

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Dear Colleague

POLICE PENSIONS (SCOTLAND) AMENDMENT 2 REGULATIONS 2004

From 1 October 2004 the police service is brought further within the scope of the Disability Discrimination Act 1995 (DDA), in implementation of Council Directive 2000/78/EC which established a general framework for equal treatment in employment and occupation.

The DDA will apply to the medical standards on entry into the police service. While those who are unable to meet the fitness criteria at the time of application may still be refused entry to the service, there will be others, e.g. with progressive conditions, who are fit for immediate service but whose risk of later ill-health retirement makes their likely pensions costs significantly higher than those without an identified risk of such retirement. Essentially those identified as having a significantly higher pension cost will be excluded from access to the ill-health benefits of the Police Pension Scheme (PPS).

Detailed guidance on how recruits to the police service are to be assessed for access to the ill-health benefits of the PPS was issued under Police Division Circular 19/2004 issued on 17 September. A copy of the guidance relevant to pensions is attached for information. The introduction of the new procedures requires changes to be made to the PPS and the attached draft Scottish Statutory Instrument (SSI) outlines the changes proposed. Similar changes prepared by the Home Office for England and Wales have been subject to consultation and were introduced from 1 October. The attached draft SSI has backdating provisions to allow these changes to also come into effect from 1 October in Scotland.

In brief the following areas are covered by the amending regulations

- Amendments to payments of benefits-Excluding those individuals identified by the new procedures whose pension costs are significantly higher from early payment of an ordinary pension, payment of ill-health pension on compulsory retirement and early payment of deferred payment, because of permanent disablement. Amendments to regulations B1, B3 and B5 are made.
- Lower contribution rates-Regulation G2 is amended so that those excluded from ill-health



benefits will pay a reduced contribution of 7½%. Regulation G4 is also amended to take account of officers who are identified as having significantly higher pension costs cancelling an election not to pay contributions.

- New medical procedures and requirements to determine eligibility for pension awards based on the ground of permanent disablement-A new regulation G7 sets out the medical requirements outlined in the guidance issued by Police Division.
- New appeal procedures against decisions on eligibility for pension awards based on the ground of permanent disablement-A new regulation G8 outlines the appeal process for an officer dissatisfied with the opinion of the selected medical practitioner.
- Amendment to the Purchase of increased Benefits Regulations- The exclusion from an ill-health award has a knock-on effect for both when and to what extent added 60ths being purchased become reckonable and the reduction in the contribution rate effects the amount paid by such an officer for added 60ths.

In addition to the changes required because of the DDA there is one additional amendment included within the draft SSI. Regulation 4 refers to medical appeals made under regulation H2. Changes to appeals were introduced in Scotland from 1 October 2003 (SSI2003/406 refers) with the replacement of individual medical referees by medical boards provided by BUPA Wellness.

Although the intention was that all appeals made before 1 October 2003 would be dealt with under the “old” system i.e. single medical referee a mechanism is required that will allow any “old” case that is being unduly delayed to be referred to a medical board to expedite matters. A similar facility was included by the Home Office when medical boards were introduced in England and Wales that allows the Secretary of State to switch “old” cases to be considered by a medical board.

I would be grateful for any comments you may have on the above proposals by **16 November**

Yours sincerely



Jim Preston

Addressees

Police Negotiating Board
Audit Scotland
National Association of Pension Funds
Women’s National Commission
Home Office, Police Sections
HM Treasury
Government Actuary’s Department
DES
ODPM Fire Pension Sections



DWP
Inland Revenue Pension Schemes Office
Scottish Executive, Justice Department, Police Division
HMCIC
Office of the Solicitor, Scottish Executive

