

# Police Pension Schemes

2020/01

**Who should read:** The Chief Constable of Police Scotland  
Scottish Police Authority  
Pensions Administration staff  
Scheme members

**Action:** For information and circulation

**Subject:** Overpayment of Guaranteed Minimum Pension  
(GMP)

**Date:** 23 January 2020

**The purpose of this circular is to advise that where the incorrect GMP data has led to an overpayment, the affected police pensioners will have an award of Increased Pension Entitlement (IPE) applied to maintain their level of pension in payment going forward.**

**This updates the previous information dated 8 February 2018 outlined in Circular 2018/01**

## **The Police Pension Scheme Amendment (Increased Pension Entitlement) (Scotland) Regulations 2019**

SPPA Circular 2018/01 provides full background to this issue and confirmed the reconciliation of GMP data held between schemes and HMRC. The data relates to GMP's accrued between April 1978 and April 1997 and affects how Police pensions are annually increased, for those members who reached state pension age before 6 April 2016. Incorrect or no GMP data being held has meant that for affected pensioners, their annual increase has not been calculated correctly leading to an overpayment of pension. However, changes have been introduced to the scheme rules that ensure that affected pensions will remain at their current levels and will not be subject to reduction.

On 12 July 2018 SPPA consulted on draft regulations proposing the introduction of an IPE for affected pensions identified as part of the reconciliation exercise.

The finalised regulations, The Police Pension Scheme Amendment (Increased Pension entitlement) (Scotland) Regulations 2019, were laid in Parliament on 11 November 2019 and came into force on 30 December 2019.

The regulations make amendments to the existing provisions in Part N of the Police Pension Scheme Regulations 1987, which introduced an IPE in 2009. There are no changes to the approach taken in 2009 and the aim of the amendments is to:

- i)** Calculate the value of the IPE. This is the annual GMP related overpayment for 2019/20 and reflects the outcome of the following sum- the value of the pension in payment applying the originally held incorrect GMP data less the value of the pension applying the corrected GMP data.
- ii)** Apply the IPE from 8 April 2019. The IPE ensures the pension continues at its current rate for 2019/20 as it attracts annual Pension Increase (PI) indexation at the same rate as the Scheme Pension.
- iii)** Apply correct GMP values and indexation from 6 April 2020, the next annual pension increase date which will also include the IPE.
- (iv)** The regulations provide for IPE payments made from 8 April 2019 to be authorised. GMP related overpayments that have accrued before 8 April 2019 will not be recovered.

## Any Questions?

Please contact [Iain.Coltman@gov.scot](mailto:Iain.Coltman@gov.scot) if you have any enquiries about this circular.

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23 January 2020