

30+ RETENTION SCHEME

The Police Negotiating Board Agreement of May included outline provisions for arrangements to give managers in the police service the scope to retain officers who are entitled to retire with maximum pension benefits where they wish to do so. The following provides a statement of the 30+ scheme agreed by the PNB for the purpose of the pilots to be run between December 2002 and March 2003.

PNB Agreement

2. The Police Negotiating Board Agreement in May 2002 included an outline of a 30+ scheme. The objectives were defined as follows:
 - To help ease possible recruitment shortfalls and help police numbers to rise to, and be sustained at, a higher level;
 - To smooth out recruitment bulges and, by the same token, help to avoid corresponding retirement bulges in future;
 - To help retain much needed skills and experience in the service.
3. The main points of 30+ agreed by the PNB are:
 - It will be open to ranks below ACPO level where a business case can be made for it.
 - Each officer who wishes to participate will have to apply for selection.
 - Ability to take a tax-free retirement lump sum, under Police Pensions Scheme commutation provisions
 - Re-engagement at former rank and pay level.
 - Pension abatement lifted to allow for payment of sufficient pension to restore the pre-retirement earnings level, including any replacement allowances lost on retirement..
 - Access to Special Priority Payments of up to £5000 on the same basis as other officers.
 - Participants will not be able to re-join the Police Pension Scheme, but they will be able to purchase additional benefits by taking out a personal pension.

Features of the 30+ scheme in detail

Scope

4. The scheme will be open to ranks below ACPO level where a business case can be made for it. A key factor is whether retention of an existing officer will be more cost effective than letting him or her retire and bringing in a good new recruit instead. Application to participate in the scheme will normally be made by officers about three or four months before retirement. However, applications may also be made by officers who have recently retired after at least 30 years' service. In order to be eligible for consideration such officers should normally have retired within the previous twelve months.
5. For the purpose of the pilot schemes local discretion to re-engage officers applies just to constables and sergeants. Any force involved in the pilots which wishes to re-engage an officer above the rank of sergeant will need to make out a business case for this to the Home Office for consideration in the light of the general implications for the scheme.

Suitability for officers

6. The 30+ Scheme will not be suitable for all officers. It is aimed at officers who have retired, or who are about to retire, from the service with maximum benefits under the Police Pension Scheme and have no specific interest in, or prospect of, further promotion. The scheme offers serving officers, who are members of the Police Pension Scheme and definitely want to retire in order to be in a position where they can choose a commuted pension with a tax free lump sum, an additional opportunity to those available outside the service altogether or as a civilian employee of the force. The scheme is not suitable for those who want to stay on in the service beyond 30 years and accrue further rights under the Police Pensions Scheme for themselves or their dependants which are linked to any further rises in their final police salary.

Status on reappointment

7. Participants will retire, and thereby be eligible for a tax-free lump sum under the Police Pension Scheme, before appointment to the posts they have applied for. Appointment will take place after a minimum of one day in retirement. Participants will have to be sworn in again after a break in service. A security check may also be needed depending on the length of time away from the service.

8. Participants will be able to re-enter the force at their former rank and pay point but they will no longer be entitled to a replacement allowance (ie either housing allowance or transitional rent allowance and compensatory grant). Participants will be required to sign an agreement which includes an election to opt out of the Police Pension Scheme and which explains how the Police Pensions Regulations will apply to them. In certain respects the Police Pensions Regulations already cover the interests of 30+ participants, for example in terms of survivor benefits in the case of death as a result of an injury sustained without default in the execution of duty, but in other cases the regulations will have to be amended to cater specifically for the 30+ scheme. A draft of the agreement is at **Annex A** and a list of amendments is at paragraph 31 below.

Partial lifting of pension abatement

9. In view of their retirement before being re-engaged participants will be eligible for a police pension. However, in common with other public service pension schemes, their pension will be subject to abatement (reduction) on resuming service in the same occupation they had before retirement. Under the 30+ Scheme it has been agreed that participants' pensions need not be entirely abated. They will be able to receive sufficient pension to restore their earnings to their pre-retirement level – i.e. including replacement allowance. The amount by which the pension of an officer is abated will be determined by the officer's salary and replacement allowance at the point of retirement compared with his or her salary on re-engagement. Officers will receive as much of their pension as is required to top up the income from their salary on re-engagement to the level it was at retirement when they received both a salary and a replacement allowance.

10. Topping up the salary with an amount to make up for the lost compensatory grant is potentially complicated, but this will be handled in the same way as the compensatory grant paid to someone who has retired. An explanation is attached at **Annex B**. Once the amount of pension due is determined it will be fixed at that rate and changed only in line with pensions increases where the officer qualifies for this on grounds of age.

11. Subsequent changes in salary after re-engagement will not affect the pension paid. Similarly, special priority payments or bonuses paid after re-engagement will not affect the pension. It should be added that in the longer term, when there may be officers who already have these payments before retirement at 30 years, neither payments will be taken into account for the purpose of abatement when assessing income at the point of retirement.

Eligibility for special priority payments

12. If they are selected for a qualifying post in the force's special priority payment (SPP) scheme, they will receive a payment on the same basis as other officers. The SPP is a non-pensionable lump sum paid at the end of the calendar year. The payment will be not less than £500 or more than £3,000 normally, although exceptionally payments of up to £5,000 may be made.

Second pension

13. Participants will not be eligible to re-join the Police Pension Scheme either to resume accrual of rights under their current pension or to accrue rights to a second police pension. They will be re-engaged on condition that they make an election under regulation G4 not to pay contributions. A specimen of the notice of election is at **Annex B**. The participant will be able to take out a personal pension with a view to receiving additional benefits.

Survivor benefits on death in service

14. Should an officer die while participating in the 30+ scheme, any qualifying surviving spouse or child will be able to receive a widow(er)'s pension or child's allowance based on the officer's 30-year pension in the same way as if he or she had died in retirement. The only exception is where the participant dies as a result of an injury received without default in the execution of duty – see paragraph 19 below.

Lump sums on death while participating in 30+

15. A gratuity may be paid to a dependent relative under regulation E2(1)(a)(ii) or to the officer's estate under regulation E3 following his or her death while participating in the 30+ scheme as if he or she were in retirement. It is not considered that regulation E2(1)(a)(ii) needs amendment to apply to a participant in 30+ for the first two years after retirement. Since a participant will have made an election under regulation G4, no lump sum death grant is payable under regulation E3A. However, the force will pay a lump-sum death in service grant outside the scope of the Police Pension Scheme to the spouse or estate of a participant in the event of death during the currency of his or her appointment.

16. Since participants may already have opted to take a pension lump sum on retirement under the provisions of the Police Pension Scheme, there is no longer the same rationale for a death-in-service lump sum grant based on their police salary. However retired officers who take public sector work other than as a police officer may join the relevant pension scheme and thereby ensure that, in the case of death in service, their nominee or estate will receive such a grant. The grant will therefore be based on the pensionable pay of a member of the civilian support staff with conditions of service equating as closely as possible to that of a police officer, with the flexibility for deployment that this entails.

17. It will be for each force to determine the level of pensionable salary on which the grant is to be based. As an example in the case of West Midlands Police the lump sum will be twice the average pensionable pay of a civilian working as an Operations Centre Officer which includes a 35% uplift for shift and weekend working. At present the salary is £23,500, which provides a lump sum of £47,000. It is not proposed to be too prescriptive about this figure if there are cogent reasons for local variations, for instance with London weighting.

Injury and death in the execution of duty

18. Although not active members of the Police Pension Scheme, participants will be entitled to injury awards, including awards for death as a result of an injury on duty, as if they had at least 30 years' service. An injury award under regulation B4 or a disablement gratuity under the Police (Injury Benefit) Regulations 1987 will be related to the police officer's current pay, with pensionable pay and average pensionable pay calculated, where appropriate, as if he or she were still able to make contributions to the Police Pension Scheme. An injury pension payable under regulation B4 will be reduced by three quarters of the officer's 30-year pension, not the pension the officer would have accrued, had he or she not made an election under G4.

19. Where a participant in the 30+ scheme dies as a result of an injury received without default in the execution of duty the normal provisions for survivor benefits will apply. The relevant provisions are regulations C2 and C3, widow's special and augmented awards; regulation D2 or D3, child's special allowance and gratuity; regulations E1 or E2(1)(a)(i), adult dependent relative's special pension and dependent relative's gratuity. (An award will not be payable under C1 or D1 unless an election is made under regulation E7 to opt for that instead.) In cases where an officer's spouse or dependants qualify to receive a death gratuity under the Police (Injury Benefit) Regulations 1987, the lump sum death grant to be deducted under regulation 7(2)(a) will be the amount payable in accordance with paragraphs 14 and 15 above.

Part-time service possible in the 30+ scheme

20. The pay and conditions of officers participating in the 30+ scheme as part-timers would be based on those they would have received, had they worked the same hours before retirement. Such officers would still be eligible for a tax free lump sum and reduced pension on retirement based on their relevant service while a member of the Police Pensions Scheme but their pension abatement would be lifted to allow just the pro-rated allowances lost on retirement to be made good.

Selection procedure and criteria

21. The 30+ scheme depends on officers applying to participate. However any force operating the scheme should make suitable arrangements to draw it to the attention of officers in the first place in order to ensure those eligible to apply are aware of the opportunity. Provided the scheme becomes established, it is envisaged that forces will remind officers about six months before the point at which they can retire after 30 years with a maximum police pension. Although it will be for officers to apply for selection, management will make the final choice based on their suitability for the scheme.

Selection Procedure

22. If the scheme is established it is suggested that officers should normally be required to make a written application about three to four months before they reach the 30-year point with a view to a decision being taken at least one month before that point.

In the initial stages of the scheme, in order to maximise consistency of approach, the power to decide which officers are retained under the terms of the 30+ scheme should be vested in the Human Resources Department of that force. Their decision will take into account the views and recommendations of the local Commander/Head of Department. In the event of an officer not being selected it is proposed that they will be able to request a review by the force's Head of HR.

Selection Criteria

23. To be selected, officers should have been assessed as fully competent and committed to further service, and should be examined and found by the FMA to be in satisfactory health for the purpose of the proposed appointment. In considering that the FMA would need to know the range of duties the officer would be expected to be available for and for up to how many years the appointment could last. Appointments will be for a term of up to four years, subject to annual renewal dependent on continued effectiveness. In some cases the appointment could be followed by another of up to three years, again subject to annual renewal.

24. In considering whether an officer is in satisfactory health the FMA should have no concerns that the officer has a medical condition or a medical history which puts in doubt the officer's ability, after allowing for reasonable adjustment, to attend for duty and to perform effectively.

25. If the scheme is to be effective, it will also be important that it applies only to those who are not liable to sanctions which would disrupt or undermine further service. Officers would not be eligible for consideration at all if:

- they have current disciplinary sanctions on file, or are facing conduct proceedings, **for serious breaches**; or
- are subject to Unsatisfactory Performance Procedures.

26. Restricting automatic disqualification to serious cases of misconduct will provide forces with the discretion to look at less serious cases in the light of all the circumstances. There could be good officers under investigation following a complaint, who should not be ruled out of consideration for the scheme.

Criteria for annual reviews

27. The officer's contract of re-engagement would be subject to annual renewal depending on his or her continuing effectiveness, satisfactory disciplinary record and commitment to remaining in service. Although the effectiveness and commitment will normally go together, there may be cases where an officer is still competent but starting to show a loss of interest in the job. It is important, if the 30+ scheme is to work effectively, that officers are not kept on beyond the point where they really want to participate. Annual medical checks would not normally be required.

28. There are no provisions at present in the Police Regulations for fixed-term appointments for officers below ACPO rank. The power not to renew a 30+ appointment will be derived from regulation A19 of the Police Pensions Regulations – compulsory retirement on grounds of the efficiency of the force. Because of the system of annual review, regulation A19 should normally be used only to terminate a contract of re-engagement at a date before its expiry/renewal date.

29. Unless expressly stated otherwise in the scheme, a contract of re-engagement may be terminated under the Police Regulations, the Police Pensions Regulations, the Police (Conduct) Regulations and the Police (Efficiency) Regulations. Accordingly a participant may be compulsorily retired under regulation A20 of the Police Pensions Regulations (on grounds of ill-health). Moreover, a contract of re-engagement may not extend beyond the maximum period of five years for which compulsory retirement on grounds of age may be postponed at the discretion of the chief officer of police under regulation A18 of the Police Pensions Regulations. 30+ officers, as with all officers, have the right under regulation 16 of the Police Regulations (1995) to give one month's notice to terminate their contract.

Next steps

Phase I Pilots

30. Several forces are participating in an unfunded Phase 1 pilot of the 30+ scheme, which will run, for the purpose of re-engaging officers, from December 2002 until March 2003. It will be used to test the likely take-up if such a scheme were to be introduced on a national level. The crucial factor will be the number of extra officers retained as a result. For the purposes of this scheme "extra" is defined as those officers who would otherwise have left the service if not for the existence of the 30+ scheme. The pilots may also enable at least an initial view to be taken of the value for money (VFM) and the operational value of the scheme. These issues will need to be assessed more thoroughly in any Phase II of the scheme.

31. The forces participating in the Phase 1 pilots have indicated the likely number of 30+ officers involved as follows: Avon and Somerset – 8, the Met – up to 30, North Wales – 10, West Mercia – up to 8, West Midlands – 30. When these pilot schemes were launched on 11 November the forces involved invited expressions of interest from current and recently retired officers with a view to successful applicants being appointed as soon as the PNB agreed the details of the arrangements. The PNB has now done this.

Consequential amendments to the Police Pension Scheme

32. Amendments to the Police Pensions Regulations will be necessary either to clarify or to provide the following:

- It will be confirmed that regulation A19 may be applied to any officer participating in the 30+ scheme;
 - each participant will be allowed to continue to serve on an annual basis with renewal of the annual contract subject to the general interests of efficiency, assessed against the criteria in paragraph 27.
- Each participant will be deemed for the purposes of regulation B4 to have 30 years' reckonable service;
 - participants will be eligible for injury awards based on 30 years' service, not on their service under 30+, and taking their existing retirement pension into account.
- Each officer participating will have made an election under regulation G4, but the effect of this will need to be moderated in the following circumstances:
 - amending Schedule B Part V to make the deductions from the injury pension to be based on the pension in respect of his or her previous police service, payable to the officer once he or she resumes retirement,

not the notional pension that would have been payable had he or she not made an election under G4 when joining the 30+ scheme;

- removing the provision in Regulations C1 and D1 which withdraw eligibility of any qualifying surviving spouse or child to a pension or allowance if they would have been so entitled had the participating officer died in retirement and not while serving in the 30+ scheme with an election under G4 in force.
- Provision will be made for a special lump-sum death grant to be paid in the event of death in service;
- there will need to be provision for the special death-in-service lump sum to be deducted from any death gratuity under regulation 7(2)(a) of the Police (Injury Benefit) Regulations 1987.

33. It is not proposed to amend the Police Pensions Regulations in advance of the pilot schemes, but to apply the changes administratively until amendments (backdated to 11 November) are made in the light of experience from the pilots.

*Police Personnel Unit,
Home Office
2 December 2002*

AGREEMENT TO PARTICIPATE IN THE 30+ SCHEME

**Incorporating a notice of election under Police Pensions Regulation G4 -
modified for participants in the 30+ Scheme**

To the Police Authority

DECLARATION

I understand that the following are conditions of participating in the 30+ Retention Scheme:

- ◆ *I will be re-instated in the rank and on the pay point I held immediately before retirement;*
- ◆ *Any replacement allowance I received before retirement will no longer be payable but I will receive sufficient of my abated pension to restore my earnings to their pre-retirement level – i.e. including replacement allowance;*
- ◆ *I agree to elect to make no further contributions to the Police Pension Scheme, but I understand that I may contribute instead to a personal pension scheme;*
- ◆ *I understand that I will be deemed to be an officer with 30 years' reckonable pensionable service for the purposes of regulations A19 (compulsory retirement on grounds of the efficiency of the force) and B4 (policeman's injury award);*
- ◆ *I understand that the power under regulation A19 will normally be used only for the purpose of not renewing my 30+ appointment after an annual review. Where A19 is used mid-year, I will be given 28 days' notice;*
- ◆ *I understand that my term of re-engagement is also subject to the provisions of the Police Regulations, the Police Pensions Regulations, the Police (Conduct) Regulations and the Police (Efficiency) Regulations, unless expressly excluded or modified by the terms of this agreement;*
- ◆ *If I wish to terminate this appointment I may, subject to the conditions set out in regulation 16 the Police Regulations, give one month's notice of my intention to retire.*

I therefore hereby elect, in accordance with Regulation G4 of the Police Pension Regulations, that Regulation G2 (payment of pension contributions) is not to apply in my case.

I understand that by making this election as modified for the 30+ Scheme:–

- *I shall not pay pension contributions during the period of my service as a participant in the 30+ Scheme.*
- *My existing pension entitlements will come into full effect again when I cease to serve as a regular policeman under the 30+ Scheme.*
- *The references to Regulation G4 in Regulations C1 and D1, which would prevent the payment of a spouse's ordinary pension or a child's ordinary allowance based on my pension in the event of my death while this election had effect, will not apply in my case.*

- *In the event of my death as a result of an injury received without my own default in the execution of duty, any survivor benefits due would instead be payable as appropriate under Regulation C2, C3, D2, D3, E1 or E2(1)(a)(i), unless an election was made under regulation E7 to opt for an award under C1 or D1.*
- *In view of my election under Regulation G4 I will not receive a lump-sum death grant of twice my pensionable pay under Regulation E3A, but I will receive a separate 30+ death grant of twice the pensionable pay of a XXX.*
- *Any injury pension payable will be reduced by reference to my existing pension, not by reference to any notional pension I would have accrued if I had not made this election. Paragraphs 3(1) and 3(3) of Part V of Schedule B to the Police Pensions Regulations will apply in my case as if references to any other pension to be deducted from my injury pension are to the pension calculated by reference to my pensionable service reckonable by my 30 years' service before participation in the 30+ Retention Scheme.*
- *If my spouse or dependants were to qualify to receive a death gratuity under the Police (Injury Benefit) Regulations 1987, the lump sum death grant which fell to be deducted from the gratuity under regulation 7(2)(a) would be the death grant payable to me under the 30+ scheme.*

I understand that I do not have the option to rejoin the Police Pension Scheme.

I undertake to serve for ____ year(s) subject to annual renewal not being withheld under regulation A19 of the Police Pensions Regulations or notice by me in accordance with regulation 16 of the Police Regulations (1995).

Signed Date
Force No.

Name

Rank.....

Address.....

.....

.....

.....

When completed, return this form to (contact name and address)

ANNEX B

CALCULATING COMPENSATORY GRANT FOR RETIRED OFFICER

A figure is first calculated in a similar way as for the “ordinary” annual comp/grant - i.e. as being an amount equal to the additional tax that the individual officer has paid in the tax year current when he retires as a result of receiving (i) the replacement (rent) allowance during that year. and (ii) the compensatory grant paid at the beginning of that current year.

The sum calculated as at (a) is then increased to a figure which, after the deduction of tax at the basic rate, gives a net payment equal to the figure initially calculated.

An example of this is as follows:

- Figure calculated as at (a) = £1,000
- Increased to £1,282
- Tax due on £1,282 at current basic rate of 22% = £282
- Net comp grant payment = £1,000

This fully compensates officers who only pay tax at the basic rate. Officers who pay part of their tax at the higher rate (currently 40%) can, after the end of the tax year in which they retire, produce to their former force the Inland Revenue assessment for that year to prove this higher tax position and ask for an additional compensatory grant payment.