



Home Office

# Report to Parliament in respect of collecting the current member contribution rates for the Police Pensions Regulations 2015

February 2023





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Presented to Parliament pursuant to section 22(2)(b) of the  
Public Service Pensions Act 2013

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## **Introduction**

1. This report is laid before Parliament in accordance with section 22 (2)(b) of the Public Service Pensions Act (“the 2013 Act”).
2. The purpose of the regulations is to amend the Police Pensions Regulations 2015 (“the 2015 Regulations”) which established the 2015 Police Pension Scheme (“the 2015 scheme”).
3. The proposed regulations provide for the current member contribution rates, applicable in the scheme year ending 31 March 2023, to continue to apply without an expiry period starting from 1 April 2023.
4. The proposed regulations involve a change to the member contribution rates collection dates, a protected element of the 2015 scheme.
5. The Home Office has consulted persons or representatives of those likely to be affected by the change with a view to reaching agreement with them, in accordance with section 22 of the 2013 Act. Having carried out this process, we now lay this report before Parliament.
6. The report under subsection (2)(b) must set out why the responsible authority proposes to make the regulations, having regard to the desirability of not making a change to the protected elements of a scheme under section 1 within the protected period.

## **Background to proposed amendment**

7. The member contribution rates, under regulation 170 of the 2015 Police Pensions Regulations 2015 is currently set to expire on 31 March 2023. We need to change this expiration date to ensure that member contributions can be collected under the 2015 Regulations after that date. This change will ensure that scheme managers can lawfully collect pension contributions from members and the 2015 scheme continues to be adequately funded.

## **Policy objective**

8. The existing employee contribution rates, set out in the 2015 Regulations, expire on 31 March 2023. The expiry date needs to be amended to ensure that scheme managers can continue to lawfully collect contributions from members and that the Police Pension Scheme continues to be adequately funded. The value of employee contributions to the 2015 Police Pension Scheme is estimated to be circa £41 million per month. Members currently pay an effective rate of 12.44% (if their salary is equal to or below £27,000), 13.44% (if above £27,000 but below £60,000) and 13.78% (if above £60,000). The Home Office does not propose any change to the rates themselves.
9. The member contribution rates for the Police Pension Scheme 2015 will create a legislative basis for collecting members contributions, beyond the current expiry date. This amendment will ensure stability regarding the funding of 2015 Police Pension Scheme.
10. The Police Pension Scheme 2015 requires members to pay contributions as a condition of membership. Regulation 124 of the 2015 Regulations makes provision for member contribution rates up to 31 March 2023.

## **Current and proposed member contribution rates**

<i>Annualised rate of pensionable earnings</i>	<i>Current member contributions rate (31 March 2020 to 31 March 2023)</i>	<i>Proposed member contributions rate (01 April 2023)</i>
£27,000 or less	12.44%	12.44%
More than £27,000 but less than £60,000	13.44%	13.44%
£60,000 or more	13.78%	13.78%

11. The proposed amendment to the 2015 Regulations has the effect of retaining the current member contributions and associated earning thresholds from 1 April 2023. It ensures that member contributions can continue to be lawfully deducted from 1 April 2023, thus safeguarding the effective operation of the 2015 Police Pension Scheme.

### **Consultation**

12. In accordance with section 22(2)(a) of the 2013 Act, the Secretary of State consulted representatives of such persons who appear likely to be affected by the proposed regulations with a view to reaching agreement with them.
13. The consultation was issued from 1 December 2022 and remained open for six weeks until 12 January 2023. We received a collective response from The Police Superintendents' Association and Police Federation of England and Wales. The respondents agreed with the proposal in principle. The agreement is based on the understanding that the proposed change will not adversely impact the operation of the current and future valuations. The associations would expect consultation on any proposed changes to the contribution rate in line with regulation 198(3) of the Police Pension Regulations 2015.
14. The Home Office considered the views raised and will proceed to implement the change. The Home Office will revisit the question of levels of contribution rates and thresholds when it is required to do so.

### **Conclusion**

15. Parliament is invited to note the reason for proposing that current member contribution rates, applicable in the scheme year ending 31 March 2023, to continue to apply without an expiry period starting from 1 April 2023.

**Minister for Crime, Policing and Fire, The Rt Hon Chris Philp MP**

**Home Office, 28 February 2023**



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