



Home Office

Report to Parliament in respect of updates to the member contribution structure for the Police Pensions Regulations 2015

March 2026



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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 proposed regulations is to amend the Police Pensions Regulations 2015 (“the 2015 Regulations”) which established the 2015 Police Pension Scheme (“the Scheme”).
3. The proposed regulations introduce a revised member contribution structure effective 1 April 2026, with updated member contribution rates and tier thresholds.
4. The proposed regulations replace the use of full-time equivalent (FTE) pensionable earnings with actual pensionable earnings when determining the applicable member contribution tier.
5. The Home Office has consulted persons or representatives of those likely to be affected by the changes 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. Under section 22(4), this report must set out why the Home Office 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 of the 2013 Act within the protected period.

Background to proposed amendment

7. The Scheme sets out a tiered member contribution structure based on pensionable earnings. This structure, including the contribution rates and the thresholds that determine each tier, has remained unchanged since the Scheme’s introduction in 2015. Over time, pay levels across policing have increased, and the existing thresholds no longer reflect current earnings profiles, highlighted by the fact that tier 1 currently contains no members.
8. Under regulation 170 of the 2015 Regulations, member contribution rates are set out alongside the earnings thresholds that determine tier allocation. These features are essential to the operation and funding of the Scheme. Following the most recent actuarial valuation of the Scheme, the Home Office is required to implement updated member contribution arrangements to ensure the Scheme continues to meet the member contribution yield required under the Police Pension Scheme Reform Design Framework as instructed by HM Treasury.
9. In addition, consultation feedback and equality analysis highlighted concerns about fairness under the existing FTE-based tiering approach, particularly for part-time members, whose tier allocation often does not reflect their actual earnings.

Policy objective

10. The primary objective of this change is to update the Police Pension Scheme 2015 member contribution structure so that it delivers the required average yield of 13.7% and remains consistent with HM Treasury’s cost-sharing requirements. The current structure generates an average yield of 13.48%, and amendments are necessary to ensure the scheme continues to operate on a sustainable basis. The new structure revises the contribution rates in each tier and the contribution thresholds, which have not been updated since 2015, so that the structure delivers the required yield and reflects contemporary pay arrangements.

Current and new member contribution rates

11. Current structure: For each scheme year starting on or after 1st April 2015

<i>Annualised rate of pensionable earnings</i>	<i>Full member contributions rate</i>	<i>Reduced member contributions rate</i>
<i>£27,000 or less</i>	<i>12.44%</i>	<i>9.94%</i>
<i>More than £27,000 but less than £60,000</i>	<i>13.44%</i>	<i>10.94%</i>
<i>£60,000 or more</i>	<i>13.78%</i>	<i>11.28%</i>

12. New structure: For each scheme year starting on or after 1st April 2026

<i>Relevant pay</i>	<i>Full member contributions rate</i>	<i>Reduced member contributions rate</i>
<i>£37,035 or less</i>	<i>12.88%</i>	<i>10.38%</i>
<i>More than £37,035 but less than £79,588</i>	<i>13.88%</i>	<i>11.38%</i>
<i>£79,588 or more</i>	<i>14.22%</i>	<i>11.72%</i>

13. The revised structure bases contribution rates on members' actual pensionable pay from the previous scheme year rather than FTE earnings. This provides a fairer and more accurate basis for determining contribution tiers, particularly for part-time officers.
14. Where members have joined the Scheme since the beginning of the previous scheme year or come back from a long period of unpaid leave, the member contribution rate will be based on their annual rate of pay at joining or re-joining the Scheme until they have completed a full scheme year of service. This update forms part of the move away from using FTE earnings.
15. Overall, the amendments ensure that member contributions are set on a fair, transparent and sustainable basis and that the scheme continues to meet its statutory funding and design requirements.

Consultation

16. The Home Office carried out a consultation in accordance with the requirement, under section 22(2)(a) of the 2013 Act, to consult persons (or their representatives) who appear to the Secretary of State to be likely to be affected by the proposed amendments.
17. The Home Office conducted a public consultation on proposed updates to the Scheme member contribution structure. The consultation ran from 20 November 2024 to 29 January 2025 and was made available on GOV.UK for all interested parties to provide views. The consultation sought views on proposals to amend the Police Pensions Regulations 2015 to: deliver the required target yield; update the member contribution structure to support scheme participation and reduce opt-outs; ensure that the structure remained administratively sustainable; and ensure due regard to the Public Sector Equality Duty.

18. Stakeholders responding included individual officers, police forces, payroll providers and staff associations. The Police Pensions Scheme Advisory Board and the National Police Chiefs' Council also responded. The consultation generated significant engagement, reflecting widespread interest in contribution fairness and the impact on officers' take-home pay. During the consultation period, two in-person engagement sessions were held to support stakeholders.
19. Consultation was conducted with a view to reach agreement, as required by section 22 of the 2013 Act. Substantial engagement was conducted with the sector during the formal consultation period and afterwards. This included engaging with those persons affected and direct consultation with representative bodies. Respondents generally accepted the need to ensure the Scheme delivers the required 13.7% yield, although some raised concerns about affordability for lower-paid members and the timing of changes. Respondents particularly emphasised the impact of contribution levels on affordability and as a key reason for members opting out of the Scheme. This instrument helps to address this concern, as the lowest-paid members will now contribute at a lower rate than under the previous structure. Forces and administrators commented on the need for a structure that is simple to administer and compatible with existing payroll systems.
20. The Government's response was published on 25 November 2025 to ensure forces were given over four months to make the necessary administrative updates. The response summarised the feedback, including a range of alternative proposals by stakeholders. The response explains that while these were thoroughly considered, many failed to meet all of the stated objectives of the consultation. The response outlines the chosen approach and is accompanied by an Equality Impact Assessment.

Desirability of not amending Protected Elements

21. The Home Office recognises the desirability of maintaining stable protected elements during the protected period, as envisaged by section 22 of the 2013 Act. Nevertheless, in this instance, amendment is necessary because:
 - the Scheme must deliver the required contribution yield following the latest valuation;
 - the shift to actual earnings improves proportionality for all members, particularly part-time officers;
 - bringing the first tier back into operation by increasing the thresholds responds directly to concerns regarding affordability and opt-out risk.
22. For these reasons, the Home Office considers the amendments justified and appropriate despite the general presumption against altering protected elements.

Conclusion

23. Parliament is invited to note the reason for proposing these amendments to the member contribution structure of the Police Pension Scheme 2015. The revised contribution rates and thresholds, taking effect from 1 April 2026, ensure compliance with valuation requirements, fairness, and the long-term sustainability of the Scheme.

Minister for Policing and Crime, Sarah Jones MP

Home Office, 9 March 2026

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