

Comparison between 2015 Police Pension Scheme and the existing schemes

Provision	2015 Scheme	1987 & 2006 Schemes
Governance	<p>A national Scheme Advisory Board to advise Home Secretary on changes. A local pension board is established to assist the scheme manager of each police force.</p> <p>Greater role for the Pensions Regulator.</p>	Nothing specified, though police pension authority answerable to the Police & Crime Commissioner as police pension supervising authority.
Membership	All current members of previous schemes to join the new scheme unless eligible for full protection or tapered protection. Tapered protection members will transfer to 2015 Scheme at the end of the tapered protection period.	1987 Scheme members had choice to move to 2006 Scheme (though few did).
Basis of pension	Career average revalued earnings. Based on 1/55.3 of the member's pensionable earnings for each year. There is no maximum length or service or limit on benefits.	<p>Final salary. Based on 1/60 of member's earnings for first 20 years and 2/60 for each year of service after 20 years, for a maximum of 30 years (1987 Scheme).</p> <p>Based on 1/70 for each year of service to a maximum of 35 years (2006 Scheme).</p>
Eligibility for membership	Subject to medical clearance, open to all new police officers and tapered protection members and transferees from other public service pension schemes (club transfers).	Closed to new members (1987 scheme). Currently, subject to medical clearance, open to all new police officers; will be open to the final salary component of tapered protection members and transferees from other public service pension schemes (club transfers) (2006 scheme).
Normal retirement age	60. Member can retire from 55 with actuarial reduction.	55 (2006 Scheme). For 1987 Scheme from 48 with 30 years' service, or from 50 with 25 years' service, or at 55 for all constables and sergeants with less than 25 years service; 55 for inspector to Ch. Supt in the Metropolitan police with less than 25 years' service; 57 for Commander or Dep. Asst. Commissioner in the Metropolitan police with less than 25 years' service; in all other cases at age 60.

Provision	2015 Scheme	1987 & 2006 Schemes
Deferred pension age	State pension age if member opts out before age 55.	65 if member opts out before age 55 (2006 Scheme); 50 if with 25 years' service; otherwise from age 60 (1987 Scheme).
Retirement lump sum	Only by commutation, at £12 lump for each £1 of pension sacrificed.	Yes, 4 x initial annual pension (2006 Scheme); only by commutation of up to ¼ of annual pension (at around £20 lump sum for each £1 of pension sacrificed, exact rates depend upon age at retirement) (1987 Scheme).
Ill Health Retirement Benefits	Not possible once member reaches 60. Lower tier = 1/55.3 CARE for each year of service. Upper tier for 5+ years' service = half of prospective service to age 60.	Lower tier = plus lump sum; upper tier plus lump sum. Not possible once member reaches 55. Lower tier = 1/70 of final pensionable pay for each year of service. Upper tier for 5+ years' service = half of prospective service to age 55. (2006 Scheme); single tier of 1/60 of final pensionable pay for each year of service plus enhancements after 5 years (which can do as much as double pensionable service) up to a maximum pension of 40/60 of pensionable pay.(1987 Scheme).
Average contribution rate	13.7% of pensionable earnings; (may be subject to tiering).	Currently 11.0% to 12.75% (2006 Scheme); Currently 14.25% to 15.05% (1987 Scheme)
Death benefits	Pension payable to spouse or partner, for life. Lump sum death grant = 3 x final pay.	Pension payable to spouse or partner for life. Lump sum death grant = 3 x pay which can be nominated to anyone (2006 Scheme). Pension payable to spouse or civil partner only, for life until remarriage. Lump sum death grant = 2 x pay, only payable to spouse or civil partner (1987 Scheme).
Purchasing additional benefits	Limited to £6,500 per annum (limit may be altered by HMT). Additional voluntary contributions no longer available	Additional 60ths + Additional Voluntary Contribution (AVC) scheme (1987 Scheme); Added years only (no AVC Scheme) (2006 Scheme).