

22 March 2022

Dear Dan,

Thank you for your letter on 1st March 2022 regarding the position officers face on the matters of immediate detriment. I understand the depth of feeling of officers on this issue and I understand the upset this must cause.

Following the government withdrawing the immediate detriment guidance in November 2021, I have taken further legal advice on the position of scheme managers left to deal with this with no guidance forthcoming from government and the legislative changes that are needed still months away.

We understand that it will be disappointing however Counsel's view was unequivocally that scheme managers should not be implementing immediate detriment at this time as there is no legal mechanism to pay without undue risks to both members and the force.

I have written to all chief constables with regards to immediate detriment and the situation in which they find themselves, which I have attached to this letter for you to share with your members. I have asked the Pensions team to follow this up with a note to all members explaining the position of immediate detriment and the need to wait for the following legislation that brings the remedy arrangements and accompanying compensation into law.

- The Public Service Pensions and Judicial Offices Bill_has now received royal assent and has been made into an act <u>The Public Services Pensions and Judicial Offices Act 2022</u> (PSPJO). This means that all legacy schemes will now be closed to future accrual and all service from 1st April 2022 will be accrued in the 2015 scheme.
 - Part 1, Chapter 1 of the Act will come into force no later than 1 October 2023¹ and will remedy the discrimination between 1 April 2015 and 31 March 2022 by moving members back to the legacy scheme for the remedy period². The Act will be supported in due course by Treasury directions which specify certain aspects such as the rate of interest to apply to payments owed and due.
- 2. Secondary regulation amendments to the Police Pension Schemes will be required that are in keeping with the primary legislation. It is the responsibility of Home Office to draft and lay these regulations by 1 October 2023 and a three-month consultation is expected in late summer/autumn this year.
- 3. <u>Section 11 of the Finance Act 2022</u> requires treasury to make changes to the Finance Act 2004 in connection with the discrimination rectification provisions. It is expected these will be

¹ Part 4, Section 131, Para 2

² Part 1, Section 2

retrospective from 1 April 2022, however they are not yet available, and drafts are expected in summer/autumn of 2022.

I would like to re-iterate to members that there is no question that eligible members are entitled to receive a choice of legacy or reformed benefits for the period between 1 April 2015 and 31 March 2022, nor is there any doubt that this will be provided. Section 2 of the PSPJO Act 2022 is clear that on the coming into force of the secondary regulations which must be enacted by 1 October 2023, members will be reverted to their legacy schemes for the remedy period. Those who have retired or died before the coming into force of the secondary regulations will be treated as 'Immediate Choice' members under sections 6 to 9³ and given a choice of benefits to receive.

Nevertheless, we find ourselves in a difficult position as Government are responsible for implementing the legislation, and the pace of those changes is led by the treasury, and not within the gift of NPCC or individual police forces to change.

I am happy to continue our discussions on this matter and am sorry that I cannot write more positively at this time.

If you have any questions, please let me know.

Yours sincerely

Jeremy Vaughan

Chief Constable South Wales Police NPCC Pay and Conditions Lead

³ Public Service Pensions and Judicial Offices Act 2022 (legislation.gov.uk)