



**National Reward Team**  
**Advice Note 8 - Retirement and Re-joiner Guidance**  
**5<sup>th</sup> July 2022**

**Introduction**

This Advice Note is issued jointly by the National Reward Team and the NPCC Pensions Team. It provides guidance that will assist forces in formulating a policy to re-engage officers after retirement.

This Advice Note:

- Provides forces with appropriate guidance to develop a Retirement and Re-joiner Policy.
- Assists and enables forces in England & Wales to retain experienced officers in a wide range of roles to support Uplift, to provide resilience, mentoring and coaching at a time when there are high numbers of officers with limited operational policing experience, where they identify a need to do so.
- Recognises the changes to the Compulsory Retirement Age (CRA) for police officers from 1<sup>st</sup> April 2022 and supports the government's objectives of achieving longer working lives, whilst removing the financial dis-incentive that may encourage officers who would ordinarily wish to continue working in the police to leave service for reason associated with pension benefit changes.
- Provides the opportunity to address the issue raised by staff associations around the interaction of legacy (1987 and 2006 ) Scheme benefits and access to reformed 2015 Scheme benefits where legacy benefits are accessed before age 55, referred to by them as 'the pensions trap'.

It is a matter for the Chief Constable whether to adopt and follow this guidance. The approach set out in the guidance has been endorsed by the staff associations and has been shared with Home Office.

Forces should now review their own relevant policy documents and procedures to ensure that reflect current legislation and practice are followed.

This guidance can be applied in all forces and has been shared with staff associations to ensure consistency of understanding and application across forces.

If you have any questions on this advice note please contact the National Reward Team via [enquiries.nationalrewardteam@thamesvalley.pnn.police.uk](mailto:enquiries.nationalrewardteam@thamesvalley.pnn.police.uk)

## Retirement and Re-joiner Guidance (5<sup>th</sup> July 2022)

### 1. Background

- 1.1. Many forces already operate a re-joiner arrangement which does not require any specific authority and can be achieved within existing Police Regulations and Pension Scheme Regulations. This guidance sets out how to extend these arrangements using existing Regulations and reflects changes to pension provision since April 2022.
- 1.2. This Retirement and Re-joiner guidance is not intended further to enhance the benefits available under the 1987 and 2006 Police Pension Schemes, which are among the best in the Public Sector. Nor is it intended to increase the cost to forces or to the Home Office of providing pensions and policing services. Unless there are exceptional circumstances, ordinarily pensions should be fully abated where a member leaves and re-joins, so they will not receive both pay for the role and pension accrued.
- 1.3. Previous Re-joiner policies have targeted specific skills and or roles, but this guidance is designed to apply to any eligible officer subject to the conditions set out in the paper.

### 2. Resilience issues

- 2.1. On 5 September 2019 the Prime Minister announced the Government commitment to recruit an additional 20,000 police officers in England and Wales by 31 March 2023.
- 2.2. There was a total of 142,526 officers' provisional headcount as at 31 March 2022 in England and Wales.
- 2.3. This included +13,576(of +20,000 by March 2023) provisional uplift figure as at 31 March 2022, England and Wales.
- 2.4. This means overall almost 10% of the workforce as at March 2023 has under 2 years' service.
- 2.5. Most new recruits are deployed initially to front-line, response policing, meaning that this area is very heavily populated by short-service recruits.
- 2.6. The changes to pension schemes from April 2022, outlined below, mean that officers may choose to retire now in order to maximise benefits due under the 1987 Scheme because they perceive that remaining in service may result in a disadvantage to them.
- 2.7. However, forces are seeking to retain experienced officers to support Uplift generally, to retain officers with specialist skills and experience and to help provide support, coaching and mentoring to recruits who lack wide experience of operational policing.
- 2.8. Providing a means of allowing officers to 'draw down' their legacy pension lump sum and re-join policing when their knowledge and experience is relevant, will help forces to address these issues.

### 3. Pension issues

- 3.1.** The Public Service Pensions Act 2013, the primary legislation under which the 2015 CARE Scheme is established, whilst allowing for a Normal Pension Age of 60 for police officers, does not include a power for the regulations of pension schemes established under the Act to include a provision imposing a Compulsory Retirement Age (CRA). Consequently, the Police Pensions Regulations 2015 do not include CRAs, nor maximum pension, supporting longer working lives. Prior to April 2022, the 1987 and 2006 Regulations were still in force, so CRAs could be applied to members of those schemes. After 31 March 2022 those Regulations cease to apply to current service and all officers will be members of the 2015 CARE Scheme so forces cannot be applying CRAs from 1 April 2022 onwards.
- 3.2.** Officers with mixed 1987 and 2015 service will still be able to retire and take their 1987 benefits at the 30-year point. Many may wish to do so given that the rate of conversion of pension to lump sum decreases with age. However, this does lead to a situation described by Staff Associations as the 'Pensions Trap', whereby an officer must continue to work until age 55 in order to receive immediate access to their 2015 Scheme benefits whilst the commutation rate of the 1987 Scheme decreases with age.

#### **Differences between the retirement ages of the 1987 Scheme and the 2015 Scheme**

- 3.3.** During the passage through Parliament of the Public Services and Judicial Offices Act, which closed the legacy 1987 and 2006 Schemes, concerns were raised with Home Office about the impact of changes to pension age on members and their retirement expectations and benefits. The police staff associations have raised the issue that former members of the 1987 Scheme who achieve 30 years' pensionable service after 1 April 2022 and are aged under age 55 are currently now in a position where:

- If they retire with favourable commutation rates on 30 years' service, where this is under age 55, reformed scheme benefits are unavailable and are treated as deferred to State Pension Age (SPA).

But:

- If they remain in service to access reformed scheme benefits as an 'active member' at age 55 when the reduction factor is calculated by reference to age 60, commutation rates in the legacy scheme may be lower than those available at 30 years' service.

- 3.4.** This was not a new issue; this was introduced in 2015 with the reforms by the introduction of a scheme with a minimum retirement age of 55. However, until 1 April 2022 when protected members were moved into the 2015 Scheme, there were no members in the 2015 Scheme aged 55 and above. Therefore, this issue became more acute when protected members were moved into the 2015 Scheme who were already at or near 30 years pensionable service under the 1987 Scheme but need to work longer to reach age 55 in the 2015 Scheme.

- 3.5.** Previous re-joiner schemes were introduced to allow forces to retain officers with specific skills at a time where the police service was recognising a skills shortage. For officers this arrangement was the only mechanism that would allow them access to their pension lump sum at advantageous rates whilst continuing to work as a police officer. The 30+ arrangements were time restricted through the application of regulation A19. As CRA has now been removed and there is no maximum pensionable service, there is no longer a

justification to set a duration nor to require officers to demonstrate specific skills and experience. However, without a similar re-joiner policy officers may suffer a detriment either:

- by receiving a reduced 2015 pension, or
- waiting longer to receive their 2015 pension, or
- working until 55 and receiving a lower 1987 commutation lump sum.

#### 4. Arrangements that forces may choose to adopt

- 4.1. Retirement and re-joiner arrangements will allow officers who are eligible to retire, the opportunity to draw-down on their legacy scheme benefits and be re-engaged as an officer. This will operate in a similar way to previous re-joiner policies, allowing forces to retain experienced officers without financially disadvantaging the officer.
- 4.2. These arrangements are designed to provide officers with a wider choice of retirement options to enable them to retire at a time and with benefits which are appropriate to their personal circumstances. The arrangements should be widely available to:

##### Former members of the 1987 Scheme

All officers with membership of the 1987 Scheme either:

- where they have attained 30 years' pensionable service

Or

- where they have attained at least 25 years' pensionable service and are aged at least 50

Options for this group are:

- I. Retire at 30 years' service with 1987 benefits. Where this is before age 55, payment of 2015 Scheme benefits will be the individual's SPA. 2015 benefits can be accessed from age 55 with an actuarial reduction from SPA.
- II. Remain in service until age 55 maintaining final salary link for 1987 benefits and retire then or after. 2015 benefits can be accessed from age 55 with an actuarial reduction from age 60. 1987 Commutation rates will reduce with age.
- III. Continue in service until age 60, or above. Benefits can be taken unreduced from both Schemes. 1987 Commutation rates will reduce with age.
- IV. **Leave service with immediate access to legacy scheme benefits, receive a commutation lump sum, take a month's break in service with pension in payment from date of retirement to date of re-joining (assuming abatement is applied). The officer may re-join as a member of the 2015 Scheme to serve until at least age 55 as at ii above but having received a commutation lump sum calculated on a more favourable rate. Actuarial reduction rates reduce between 55 and 60.**

## Former members of the 2006 Scheme

All officers with membership of the 2006 Pension Scheme where they have attained age 55.

Options for this group are:

- i. Retire at age 55 and take immediate payment of both 2006 and 2015 benefits (2015 actuarially reduced for early payment from age 60).
- ii. Continue in service until age 60, or above, when benefits can be taken unreduced from both Schemes. The lump sum is likely to increase in line with pay awards.
- iii. **Leave service at age 55, take a month's break in service, receive an automatic lump sum of 4x pension and re-join as a member of the 2015 Scheme. Pension will be paid from date of retirement to date of re-joining (assuming abatement is applied. Members will need to consider if the benefit of access to the lump sum outweighs the loss of the final salary benefit link to the 2006 Scheme).**

**4.3.** Those former members of the 1987 Scheme who leave aged under 55 with under 30 years' pensionable service will lose valuable benefits when they access their pension:

- Weighted accrual – benefits are increased until at 30 years' service, when a member will receive benefits based on 45ths of pensionable service
- Final salary link – pension benefits linked to the highest average pensionable pay in the last 3 years of service
- Full commutation. The lump sum will be capped to  $2.25 \times$  pension

**It may therefore not be in the long-term financial interest of the member to retire before attaining 30 years' pensionable service. Similar issues arise for former 2006 Scheme members leaving at age 55, where 2006 Scheme benefits will cease to be linked to salary. Members should be encouraged to seek Independent Financial Advice.**

**4.4.** Those who re-join will be appointed at their former rank and pay level, but treated as a new entrant in terms of allowances, such as replacement allowances which would no longer be payable and re-joiners will no longer be eligible for certain allowances such as rent/ housing allowances that may have previously applied prior to retiring. They will receive other allowances paid to new entrants, such as London allowances and SE allowances.

**4.5.** Participants will continue to be eligible to apply for promotion, Therefore, if they are promoted, they will be eligible for the salary for the rank to which they are promoted, taking account of previous reckonable service. But it should be noted that their abated legacy scheme pension will not be increased in line with any such promotion, as the final salary link to their former service no longer applies after the initial 'retirement'. Any salary increase will be reflected in accrual in the 2015 Scheme entitlement.

## Pension implications of the guidance

**4.6.** To protect officers' protected pension ages, all participants must stay in retirement for at least one month before being re-engaged, as a shorter period of retirement could in some instances result in tax charges for both the officer and the retaining force. This includes protected pension age re-employment conditions, which is further explained in [appendix one](#).

- 4.7. Under [Regulation K4](#) of the Police Pension Scheme 1987 and [Regulation 52](#) of the Police Pension Scheme 2006, forces may in their discretion abate the pension on re-employment, however where they choose not to apply this discretion, they are required under [Regulation 5, Sub Paragraph 10](#) of The Police Pension Fund Regulations 2007 to pay an additional amount equivalent to the pension paid to the member into the pension Scheme each year.
- 4.8. Abatement applies irrespective of age and does not only apply as re-employment condition. There is no age limit on abatement, and this continues for the full period of re-employment by a Force in any capacity. When the re-employment ends, the pension will be reinstated to the full amount with any applicable increases.
- 4.9. It is likely that a discretion not to abate would be made only in exceptional circumstances given the requirement for the force to pay the equivalent amount into the pension Scheme. However, on making that discretion forces should be aware of [PO-25374](#) which says that there must not be a blanket policy to abate and that each case should be considered to consider exceptional circumstances. Further information on abatement is explained in [appendix two](#).
- 4.10. It should be noted that the decision to abate will be made by the force who is paying the pension. This may not necessarily be the new employer.
- 4.11. Officers will upon re-joining be auto enrolled into the 2015 Scheme and periods of service in the Scheme will be aggregated (provided the break is less than 5 years) to provide benefits under that Scheme on future retirement.
- 4.12. Eligibility for an injury award (and other injury benefits) is retained.
- 4.13. Ill health retirement and death in service benefits (4x pensionable pay) are available for members of the 2015 Scheme, but access to ill health retirement benefits will be based on 2015 Scheme service only and after completion of 2 years' service.
- 4.14. Where the break in service is less than five years, there is no requirement for a medical on re-joining the 2015 Scheme.
- 4.15. Members retiring before October 2023 will retire with the benefits, they have accrued in the 1987 and 2015 Scheme currently held. A choice will be offered of Scheme membership for the Remedy Period 2015 – 2022 later, following the implementation of legislation, expected in October 2023.

## 5. Process requirements for forces

- 5.1. Unlike previous re-joiner schemes, to avoid significant administrative burdens for forces it is proposed that these arrangements should not require a complicated application process. The removal of the CRA means that forces are not able to restrict officers who meet health requirements from continuing to serve in any police role. Therefore, it is recommended that forces adopt the following process:
- The guidance should be used in accordance with force recruitment policy and should be supported by an Equality Impact Assessment.
  - The re-joiner guidance can be applied to all eligible officers as outlined above.

- Officers should provide at least 3 months' notice prior to intended retirement date.
- Re-appointment should be subject to the normal fitness requirements for new entrants.
- Re-appointment will take place after a minimum of one month in retirement without exception. Whilst there are instances where this may not be an essential requirement, providing a minimum one-month break reduces any risk of challenge.
- Re-joiners are subject to different probationary periods depending on the time out of force. Those who left policing less than one year before their re-appointment as a police officer are subject to a six-month probationary period. Those who left policing more than one year before their reappointment, or who re-join at a different rank to that which they previously served at are subject to a 12-month probationary period. In all instances, chief officers have the discretion to extend probation as they see fit.
- Participants will have to be re-attested after a break in service.
- Re-vetting may also be needed depending on the status of an officer's security clearance.
- When they return to service, they will be auto enrolled into the CARE pension Scheme. 2015 membership can be reactivated after a gap of up to 5 years, and 2 periods of service can be aggregated. Any benefits are not payable until age 55.
- In considering an officer's health, forces must keep in mind their obligations under the Disability Discrimination Act, including the duty to make reasonable adjustments.
- Forces are reminded that the requirement for medical screening or examination are discretionary. As pointed out above, officers can now remain in service as there is no longer a CRA. [Regulation 36 of the 2015 Scheme](#) provides details on how eligibility for ill health benefits should operate.
- Forces may wish to review applications from individuals subject to sanctions which would disrupt or undermine further service. This might include circumstances where:
  1. they have live disciplinary sanctions which have not yet been withdrawn from their service record or are facing conduct proceedings for serious breaches.

Or

  2. are subject to Unsatisfactory Performance or Attendance Procedures
- Any appointment under these arrangements can have no specific end date in line with the removal of CRA.

### **Part-time service**

- 5.2.** If an individual wishes to participate and re-join on a part-time basis, this will need to be agreed in advance in accordance with the force's normal policy on agreeing part-time working arrangements.
- 5.3.** In previous re-joiner schemes, there has been partial abatement to provide a level of pay and pension equal to the level in payment at the time of retirement. Under this new re-joiner arrangement, the normal approach would be to abate any pension (see below) so the individual would receive pay only for the hours worked – not pay plus pension.

## **6. Cost implications**

- 6.1.** Clearly the appointment of re-joiners on the maximum of their pay scale will be more expensive than appointment of a new entrant on the minimum of the constable pay scale. However, it may be argued that the benefits a re-joiner brings in terms of knowledge, skills and experience may outweigh the additional costs. In addition, there is a growing requirement to retain skills and experience to support the development of new entrant constables, of which, as a result of Uplift, there will be a high proportion of all constables in the next few years.
- 6.2.** There are high costs in providing the recruitment, training, and support for new entrants which are not recouped if they leave early in service. Compared to a new entrant constable, re-joiners will not require the same level of training, induction, and support.
- 6.3.** When an officer retires, they become eligible for a police pension (based on their scheme membership, service and contributions prior to retirement). However, in common with other public service pension schemes, their pension may be subject to abatement (reduction) on resuming service in the same occupation they had before retirement. The decision on whether to abate the pension either fully or in part, remains with the Scheme Manager of the Force responsible for paying the pension, as they will resume service at the salary level for the rank they held before their retirement meaning that they will not receive pension payments until they retire.
- 6.4.** It is recognised that there may be circumstances where forces seek to retain officers with specific skills or expertise where they might otherwise retire to access their legacy scheme benefits. In order to support retention, forces may consider it justified to pay some or all the pension due to the officer in addition to salary and allowances. This could include officers in roles which qualify for Targeted Variable Payments (TVP). In such cases, the above provisions will apply and an amount equivalent to the pension paid will have to be paid in addition from the operations account into the force pension account. Forces should take into consideration the potential public perception of police officers receiving both pay and pension while continuing to work as an officer.
- 6.5.** Where forces have a policy to abate pension in some cases and not in others, they should ensure that there is an objective justification for such action and that equality considerations are taken into account and monitoring of the application of abatement or non-abatement is in place.
- 6.6.** Where discretion has not been exercised under Regulation K4 of the Police Pension Scheme 1987, [Regulation 5, Sub Paragraph 10](#) of The Police Pension Fund Regulations 2007 requires



the police pensions authority to pay an additional amount equivalent to the pension paid to the member into the pension scheme each year.

## **7. Summary**

- 7.1.** When applied to force policies, this advice note allows officers to remain in service whilst accessing their lump sum at a time where they may have anticipated having access when they joined the police. For officers in the 1987 Scheme this will potentially avoid the financial impact of commutation rate changes.
- 7.2.** Many forces already operate a re-joiner arrangement like this, and this guidance does not require changes to regulations to be implemented.
- 7.3.** In view of the removal of CRA, and the concept of maximum pensionable service officers can remain in service without needing to apply extensions or meet special conditions. The impact of this guidance will allow them to remain working but avoid the financial impact of delaying access to lump sum benefits available under legacy schemes.
- 7.4.** The application of this advice note has been supported by Staff Associations.

## Protected Pension Age

Members taking a pension and/ or lump sum benefit before normal minimum pension age are liable for a tax charge, unless they retire on the grounds of ill health. From 6 April 2010, the normal minimum pension age was increased from age 50 to age 55.

However, individuals paying into a scheme that allowed members to take their benefits without consent before the age of 55 were entitled to keep their earlier normal minimum pension age, providing that they were a member of that scheme on 5 April 2006. This is known as the member's Protected Pension Age (PPA).

The Police Pension Scheme 1987 has a protected pension age of 50 with at least 25 years' service, therefore benefits can be paid from age 50 without additional tax charges. There is no requirement for a member to register this protection with HMRC, it applies automatically.

PPA can be lost in the circumstances outlined below and is automatically lost where the main purpose (or one of the main purposes) for early entitlement to benefits is to avoid paying tax or national insurance contributions.

### Loss of Protected Pension Age – Re-Employment

A protected pension age can be lost if the member does not comply with certain rules on or after retirement. If a member is re-employed by a sponsoring employer or by a body or person connected to a sponsoring employer, the member may lose their PPA and become subject to tax charges.

### Effect of Losing Protected Pension Age

If protected pension age is lost the following tax charges apply:

- Commutation lump sums are subject to a full tax charge of 55% of the total amount.
- Pension payments are subject to 40% tax up to normal minimum pension age of 55 (no PAYE is payable).

### Keeping a Protected Pension Age

If one of the following conditions<sup>1</sup> is met, a PPA may be kept upon re-employment:

- a break in employment of at least six months
- a break in employment of at least one month and scheme rules provide that benefits may be abated
- a break in employment of at least one month and the re-employment is materially different<sup>2</sup> (for a minimum period of six months).

A member re-employed from operational to support staff would keep their PPA following a one month break as this is materially different, but being re-employed as a police officer would not unless there is a one-month break and the pension paying authority make the necessary abatement checks.

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<sup>1</sup> [Finance Act 2004, Paragraph 22, Sub Paragraph 7F](#)

<sup>2</sup> "To be a materially different employment, the duties and/or the level of responsibility in the new employment must be different from those in the old employment." HMRC Pensions Tax Manual [PTM062230](#)

## **Abatement**

### **What is abatement?**

Abatement is the ability of the Police Pension Authority to reduce or stop a member's pension if that member is re-employed by any Police Authority in any capacity after retiring. This is known as 'in-service abatement'.

Additionally, Police Pension Authorities have the discretion to apply abatement in cases where retired members are re-employed to any employing public sector organisation without going through an open competition. This form of abatement is called 'inter-service abatement'. Where forces decide not to abate for specific roles, these should be subject to open competition.

While there is a requirement to abate pensions under the re-employment conditions of the protected pension age, abatement applies irrespective of age and does not only apply as re-employment condition. There is no age limit on abatement, and this continues for the full period of re-employment by a Force in any capacity. When the re-employment ends, the pension will be reinstated to the full amount.

Abatement does not apply in the Police Pension Scheme 2015.

### **Why does abatement apply?**

Government policy requires public sector pensions to be abated in certain circumstances when a public servant is re-employed following retirement. The purpose of abatement is to protect public funds.

If an Authority decide not to apply abatement, they are responsible for paying an amount equivalent to the amount that would be abated into the pension fund until the member's new employment ends.

Each force should have a policy on abatement and how they will apply this to their employees, this policy should reflect the ombudsman ruling in [PO-25374](#) that this should not be a blanket policy and each case should be considered on the facts of the case.

### **What do I need to do?**

A member who retires with a police pension and is re-employed by a police force will need to declare their new employment to their former force or pension provider if this is different.

Overpayments will be recovered so it is in the member's interests to declare employment as soon as possible to avoid having to repay amounts to the pension scheme.