

Dear Colleague

This morning the Home Secretary announced that she would implement the first year of increases to police pension contribution rates (i.e. 2012-13), in line with the proposal put to PNB in July 2011.

We have received confirmation of the Pension contributions increase for members of both the PPS and NPPS from 1 April 2012, which will be tiered as follows:

Tier 1: those on basic annual salary of under £27,000 (equivalent to Constable with less than 2 years' service);

Tier 2: those on basic annual salary of more than £27,000 but less than £60,000 (equivalent to Constable with 2 years' service or more, to Chief Inspector); and

Tier 3: those on a basic annual salary of £60,000 and over (equivalent to Superintendent and above).

The actual increases are as follows:

Tier 1:

PPS – n/a

NPPS – 0.6% increase (a contribution rate of 10.1%)

Tier 2:

PPS – 1.25% increase (a contribution rate of 12.25%)

NPPS – 1% increase (a contribution rate of 10.5%)

Tier 3:

PPS – 1.5% increase (a contribution rate of 12.5%)

NPPS – 1.25% increase (a contribution rate of 10.75%)

The proposal from the Home Secretary that was sent to the Staff Side of the Police Negotiation Board for consultation in July 2011 included proposed increases to the police pension contribution rates, which were in accordance with the recommendations within the Hutton Review of public sector pensions and were to be phased in over 3 years from April this year.

Within the Federation response to the consultation we identified our concerns that police officers were being consulted on year-on-year increases for the next three years whereas other public service groups were being consulted on the increase for 2012-13 only, with the increases for 2013-14 and 2014-15 being subject to further consultation and discussion.

The Home Secretary has now decided that it would not be right to implement all three years of increases for police officers when other public service schemes are only implementing the first year. Instead the Home Secretary has decided to implement the increase for 2012-13 and will ask the PNB to consider the proposed increases for 2013-14 and 2014-15 in line with other public service schemes.

I will keep you informed of any further developments.