

From: <redacted>
Sent: 27 April 2011 13:59
Cc: <redacted>
Subject: Commutation factors

Dear All,

Please find attached updated commutation factors for the Police Pension Scheme 1987. They were issued by GAD on 20 April 2011, so they apply to all cases where an officer has retired on and since 20 April 2011. Backdating to 20 April 2011 may be necessary in a handful of cases.

In GAD's guidance you will note that some of the factors are now over 20. You will want to bring to the attention of affected retiring officers the tax consequences of choosing to commute the whole quarter of pension. An officer can choose to commute less (and therefore have a bigger pension) so that he or she remains within the tax limit on pension commencement lump sums. You should consult GAD's guidance for more detail.

We are aware of the issue raised by GAD in paragraph 8 of their guidance, about officers who have a break between leaving service and their pension commencing. We are working with legal advisers and GAD, and hope that GAD will be able to issue updated guidance soon.

Kind regards,

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