

## Nottinghamshire Police and Crime Commissioner

### Notice of Decision



Nottinghamshire  
**POLICE & CRIME COMMISSIONER**

<b>Author:</b>	Charlotte Radford
<b>For Decision or Information</b>	Decision
<b>Date received*:</b>	18.01.2018
<b>Ref*:</b>	2018.001

\*to be inserted by Office of PCC

#### **Voluntary Scheme Pays – Police Pension Schemes**

##### **EXECUTIVE SUMMARY:**

The HMRC currently sets an Annual Allowance (AA) limit of £40,000 in relation to annual growth in pension savings. Where the annual growth exceeds this limit the individual will receive a charge at their marginal rate.

The individual can pay the charge from their personal finances. However, the Finance Act 2004 provides that a "Scheme Pays" facility must be provided where the following qualifying conditions are met:

1. The HMRC AA limit has been exceeded in the pension scheme that the Scheme Pays election is made; and
2. An AA tax charge exceeding £2,000 has been triggered; and
3. The relevant time limits for making election have been made.

Certain processes have to be followed to incorporate a Voluntary Scheme Pays for the 2016-17 financial year. The process is as follows:

1. By 31<sup>st</sup> January 2018 the Scheme Administrator(s) must make a formal decision to apply the Voluntary Scheme Pays for the 2016-17 tax year.
2. Notification must be made to the relevant Pension Board.
3. The necessary paperwork must be completed and submitted by July 2018.

In doing this, individuals can elect to have their AA tax charge paid via the pension scheme. A pension debit is applied to the individuals' pension to cover the full cost of any scheme pays election made.


The Home Office is currently in the process of seeking legislative changes, which have Ministerial support, but which under current legislative pressures have not been able to progress in time for the payment of tax due in respect of the 2016-17 tax year.

##### **INFORMATION IN SUPPORT OF DECISION: (e.g. report or business case)**

The Chief Constable is the Scheme administrator for the Officers under his direction and control. He has taken the independent decision to apply for the Scheme Pays facility in respect of the 2016-17 tax year for those officers. A copy of that report is attached for information.

##### **FINANCIAL INFORMATION**

This decision has no financial impact on the organisation. It affects only the pension amount due to the Chief Constable upon his retirement.

Signature:   
**Chief Finance Officer**

Date: 18<sup>th</sup> January 2018



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Is any of the supporting information classified as non public or confidential information**?	Yes		No	✓
If yes, please state under which category number from the guidance**				

**DECISION:**

The Commissioner is requested to approve the application of the Scheme Pays facility in relation to the Chief Constable for tax year 2016-17.

**OFFICER APPROVAL**

I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature:   
**Chief Executive**

Date: 19/1/18

**DECLARATION:**

I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:

The above request has my approval.

Signature:   
**Nottinghamshire Police and Crime Commissioner**

Date:

24/1/18