

Following the decision by the High Court, the revised lump sum commutation factors issued last year are now backdated to 1 December 2006.

- Police authorities must identify and write to any officer who is entitled to an additional payment as a result of this decision.
- Payments, which will attract interest, must be made as soon as can be arranged, wherever possible by the end of May.
- Neither retired officers nor police authorities will incur unauthorised payment tax charges on the extra lump sum payments or the interest payable on them, but these charges must be calculated by police authorities in order that appropriate arrangements can be made at central Government level with Her Majesty's Revenue and Customs (HMRC).
- Arrears of additional pension (where this is paid instead of additional lump sum) and interest paid on additional pension are not unauthorised payments but are taxable as pension scheme payments in the normal way.
- There will be no scheme sanction charges.
- Additional lump sum and any additional annual pension payments must be paid out of the pensions account and will be reimbursed by the Home Office under top-up arrangements.
- The interest payable on the additional payments must be paid out of the operating account, but will also be reimbursed by the Home Office under the top-up arrangements.
- Police authorities must complete and return by 15 May an additional top-up form with estimated or actual costs of this backdating exercise.

Full details of the scheme can be found at

<http://police.homeoffice.gov.uk/publications/human-resources/new-pension-docs/PPS-commutation-factors-guidance>