

DEFENCE POLICE FEDERATION

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To All Members

13h January 2022

Circular 02/22

Concerns Around III Health Retirement

As you will be aware, the Government are currently working on a "remedy" to address and remove the unlawful discrimination caused by the transitional arrangements introduced as part of the 2015 Public Sector pension reforms.

Primary Legislation is currently working its way through the Parliamentary process which will result in all legacy schemes (Classic, Classic Plus, Premium and NUVOS) being closed to future accrual as of 31st March 2022.

All members still in service on 1st April 2022, regardless of age or date of joining will move to the "alpha" pension scheme for service after that date.

This position potentially creates a cliff edge for members in the "classic" scheme who are in the III Health Retirement (IHR) process whereby if their IHR is not completed by 31st March 2022, they would transition into the "alpha" scheme and will retire under "alpha" scheme terms. This is potentially less beneficial for some members.

This is an issue we have repeatedly raised with the Cabinet Office during meetings, and we were assured that this was an issue they are aware of and a "work around" was being developed.

The Government recently commenced a consultation regarding the "remedy", part of which related to members within the IHR process.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/atta chment data/file/1034531/CSPS SI Consultation Nov 2021.pdf

The Government are proposing to include a section providing protection for some members who are in the IHR process on 31st March 2022 but their application has not completed and are still in service on 1st April 2022 therefore move in to "alpha"

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We have concerns around the wording of this section of the consultation as it appears to suggest that members need to be in their "legacy" scheme and have applied for an IHR in that scheme. If this is the case these proposals will only apply to a small number of members who are in the Tapered protected group who have applied for IHR while in their "legacy" scheme under the provisions of the 2015 reforms.

We are currently consulting our Solicitors on this issue and will be responding to the Government consultation accordingly.

<u>However</u>, regardless of the outcome of the consultation what is clear is that if members are considering leaving the force on IHR grounds they will not be eligible for any protection under these proposals unless they have submitted an IHR application, and it has been received and registered with the Scheme Medical Advisors before 31st March 2022.

This is different to the process during the introduction of "alpha" in 2015. At that time members needed to have applied for IHR which would have resulted in them remaining in the "legacy" scheme until the IHR application was completed.

We are fully aware that it is less than 3 months until these changes are implemented and full clarity on this important issue is not available. These are circumstances which are totally out with our control, but we are informing you to ensure that if you are looking to exit via this path, you ensure you process your application before the deadline to ensure that we can assist, should an option be available, as if not you will move into Alpha and that potential option will not be available.

Paul Hunter Southern Area Secretary & Pension Portfolio Lead