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FROM THE GENERAL SECRETARY'S OFFICE

JBB CIRCULAR NO: 015/2009

6 April 2009

**To: The Chairman and Secretary
All Branch Boards**

Dear Colleagues

**FURTHER INFORMATION ON THE JUDICIAL REVIEW INTO THE BACKDATING OF
COMMUTATION FACTORS UNDER THE POLICE PENSION REGULATIONS 1987**

I am pleased to be able to tell you that the Home Office have indicated that they will not be appealing the Judicial Review outcome, and that the deadline for the appeal has now passed.

I can now confirm that :

- the new commutation factors, which were backdated to 1 October 2007, will be backdated to 1 December 2006; and
- anyone who retired with an immediate pension or whose pension came into payment between 1 December 2006 and 30 September 2007 will be entitled to an additional commutation payment or to an increase in pension (on the basis that a smaller amount would need to be commuted for the lump sum already paid).

There are a number of administrative and tax issues which result from the decision and which still need to be resolved, in particular whether any additional commutation payments will be treated as taxable by HMRC, and what should happen if they are. However, I have been assured by the Home Office that any tax implications will not affect payments to retired officers.

I expect the Home Office to issue guidance to police authorities shortly, but will keep you informed of any developments.

Yours sincerely

**IAN RENNIE
General Secretary**