



DEFENCE POLICE FEDERATION

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All Members

Circular 03/22

26th January 2022

Implementation of Employer Funded Effective Pension Age Option in The alpha Pension Scheme

During the 2016 negotiations around the revised MDP Terms and Conditions Of Service (TACOS) the DPF secured agreement that the MoD would fully fund an Effective Pension Age (EPA) of the higher 65 or 3 years below the individuals State Pension Age (SPA) for members in the “alpha” pension Scheme.

The implementation of the EPA was delayed due to a disagreement with the Department. The DPF maintained that the EPA should have been implemented with effect from April 2016 along with other changes to our TACOS. However, the Department believed that it should have been implemented later in 2017. This subsequently resulted in the DPF lodging a complaint with the Pension Ombudsman.

In August 2021, we published circular 26/21 which outlined that we had received a determination from the Pension Ombudsman fully supporting our position that the Employer Funded EPA should have been implemented from April 2016 and directed that this be addressed.

Although the determination was for the individual complainant, the Department has accepted the determination in full and has agreed to implement it to all MDP officers with service in the “alpha” pension scheme backdated to April 2016.

The implementation of the Employer Funded EPA effectively provides officers in the “alpha” pension scheme the ability to retire at 65 years of age without an actuarial reduction on their “alpha” pension (The Normal Pension Age of the earlier schemes remain unaltered).

For members who have service in the “alpha” scheme and are considering Early Retirement, the actuarial reduction on the “alpha” section of their pension will be calculated from the age 65, not SPA.

All members with service in the “alpha” pension scheme will receive a letter confirming this entitlement and that the process of implementing it is underway. We are aware that members have started to receive these letters via email already.

The EPA will be automatically applied to members “alpha” pension so there is no action necessary at this time although it is currently unclear how it will be shown on future Annual Benefit Statements or the Pension Portal retirement planning tool.

While this reduction in the age at which members can access an unreduced pension in the “alpha” scheme is welcome, it does not address our fundamental concerns around this.

The DPF continue to believe that it is unrealistic for the Government to expect MDP officers to continue to meet all the operational standards to the age of 65.

The DPF are currently in discussions with the Force and Department with a view to providing members with the option to pay additional contributions to reduce the age at which members can access an unreduced pension to 60 years of age. The provision of this employer Funded EPA in no way impacts these discussions.

As more information becomes available, we will publish further circulars.

Paul Hunter

**Southern Area Secretary
& Pension Portfolio Lead**