

Prison Governors Association

Representing: The Prison Governors of the United Kingdom since 1987



PGA Office: Room LG.27
Ministry of Justice
102 Petty France,
London, SW1H 9AJ

PGA Officers:	President	Andrea Albutt
	Vice President	Adrian Turner
	Finance Officer	Shaun Williamson
	National Officers	Mitch Albutt Carl Davies

Telephone: 020 3334 0456

Email: james.bryant01@hmps.gsi.gov.uk

Website: www.prison-governors-association.org.uk

Twitter: @PGA_Prisons

Bulletin 825

1 February 2022

Dear Colleagues,

Pension EEPA Update

This is a follow up to Bulletin 824 regarding the letters some members have received regarding EEPA. We have raised numerous concerns regarding these letters and the lack of information contained within them and the short response time. HMPPS perform the role of conduit regarding this issue and as such convey communications from the Remedy and Technical Team in the Cabinet Office and have managed to gain the following clarity:

- The decision now is only whether to continue or stop EEPA after the remedy period. It's worth thinking of this as similar to a decision about whether to carry on buying added pension for another year. There is no decision to be made yet for EEPA built up from 2015-22.
- All post 1 April 2022 service will be in Alpha, so any EEPA built up after this point won't be impacted by whether a member chooses PCSPS or alpha for the remedy period. There is no maximum period of years' service in Alpha.
- There will be a full, detailed exercise, expected in 2023, where members can consider what to do in respect of purchasing or getting EEPA refunds. That exercise will set out things like any interest to be paid on EEPA refunds and will address a lot of the questions which have been raised.
- As the additional contributions currently being made are to purchase a lower pension age in Alpha, which does not have a service maximum applied, there should be no issue with the payment of EEPA and the 45-year maximum continuous service allowed in the legacy PCSPS scheme.
- We assume, from the conversations with Cabinet Office, that EEPA will continue to be paid at the subsidised rate of 50/50, as previously agreed.
- Where an individual member continues to pay into EEPA and does not take a refund, if they choose to take their benefits over the remedy period in their legacy scheme, then there would be an automatic refund generated for the additional contributions made over the period 1 April 2015 to 31 March 2022.

- The reason why there is such a short reply date is to allow for any payroll actions to be taken to cease EEPA (where the member requests to do so), before the end of the remedy period.

HMPPS have asked Cabinet Office to provide some Q&A webinar sessions for impacted members within a couple of weeks. We have been discussing with HMPPS, the possibility of them providing financial advice to enable members to understand the financial choices being asked of them. HMPPS are very supportive of our position, and we understand they will issue communications to members on this topic. Further PGA updates regarding EEPA will be sent directly to the members affected rather than a global bulletin.

The PGA committee are not financial advisers however we realise the importance of such expertise especially with the remedy pension issue nearing its conclusion and the tax rules around Annual Allowance and Lifetime Allowance. Therefore, we are currently researching reputable financial advisors with expertise in this field and understanding of our pension processes. This will allow us to signpost members to the services they offer. A bulletin will be issued once this, and other initiatives, have been finalised.

Thank you.

Andrea Albutt
President

Mitch Albutt
National Officer

Carl Davies
National Officer