

To all members of the Gloucestershire Police Federation Discretionary Health Scheme.

IMPORTANT CHANGES

Following advice from accountants, solicitors, investment consultants and HMRC, the Trustees have decided to change the governance of the scheme. The scheme was set up as a Trust and the advice received is that this is no longer the best way forward. It has been agreed to change the trust to a company limited by guarantee with a board of Directors. The Chief Constable has agreed to this change.

WHY?

The original trust was set up as a settlor-interested discretionary trust with a defined accumulation period. During that period funds could be accumulated and interest received on money held could be retained. When the accumulation period ends any interest received after that date must be returned to the members in appropriate amounts. Since the end of the accumulation period (January 2012) banks have not been paying interest on money held.

YOU NEED TAKE NO ACTION WITH REGARD TO YOUR MEMBERSHIP

If you are happy for your membership to be transferred to the new company, Gloucestershire Federation Discretionary Health Scheme Ltd. Your member number will remain unchanged. We will transfer your membership unless, within 2 weeks of receipt of this letter, you tell us not to.

Money held by the Trust will continue to be used to settle claims invoices for Trust members until it is all used up.

RULES, SUBSCRIPTIONS AND BENEFITS WILL NOT BE AFFECTED

It is anticipated that the Ltd Company will take over on 1st March 2014.

THERE IS ONE THING YOU NEED TO BE AWARE OF

You will need to ensure that your executors know that you have been a member of a settlor interested trust. When a will is sent for probate the executors need to pass on the information of the date you joined the trust, the date you left the trust and any income (none) received from the trust. This information is relevant for 7 years: so will cease to be required after 2020.

QUESTIONS

If you have any questions about this, please write to the Tricare office. Please don't phone – we need to keep the phone lines open for people who are ill.