

COURT AWARDED COMPENSATION LOAN POLICY

1. STATEMENT AND SCOPE

- 1.1 The purpose of this policy is to provide guidance on the court awarded compensation loan policy, application process and recovery terms.
- 1.2 An officer or member of police staff may be awarded compensation by the Courts under the Powers of Criminal Courts (Sentencing) Act 2000. Normally, the offender will pay the compensation to the Court who, in turn, will pay it to the officer.
- 1.3 However, in some cases, there may be a delay in the offender paying the relevant compensation. Therefore, so that officers do not face undue delay, they may apply to receive a loan from Lincolnshire Police in anticipation of receiving the award from the Court. If the application is successful, Lincolnshire Police will loan the applicant the full amount of the outstanding compensation when awarded and, in consideration of the loan being made, the officer will sign documentation to legally agree to the Court paying the sums due directly to Lincolnshire Police.
- 1.4 HM Revenue & Customs (HMRC) rules allow a genuine loan to be paid without a tax charge arising where the officer is responsible for the repayment of the loan. The balance of all loans from the employer may not exceed £10,000 at any stage during the tax year, otherwise, a taxable benefit will arise. Therefore, officers should consider this if they have any other loans from Lincolnshire Police which could mean that this limit is exceeded.

2. POLICY

- 2.1 Loans made under the terms of this policy are for the sole purpose of enabling an officer or member of police staff to receive an amount in anticipation of receiving Court awarded compensation without having to wait for the offender to pay the money to the Court. It will not be provided for any other purpose.
- 2.2 This policy only covers loans up to and including £500. Any loans in excess of this would be subject to consultation with the PCC's Chief Finance Officer.
- 2.3 This policy only covers officers and police staff who have been injured or harmed in the execution of their duty. Injured or harmed to include personal injury, losses from theft or damage to property, losses from fraud, being off work, medical expenses, travel expenses and pain and suffering.
- 2.4 Applications for the loan should only be made when the letter from the Court has been received showing the amount of the compensation awarded. Where any compensation has been received directly by an officer from the Court these must be excluded from the loan application.
- 2.5 To request a loan in anticipation of compensation awarded the officer must:
 - provide the Finance Department with a copy of the Court order compensation letter received from HM Courts and Tribunals Service (HMCTS) together with a completed application.
 - make a written statement: 'I acknowledge receipt of loan monies totalling £xxx and agree any funds payable by the Court in respect of this compensation

award should be made payable directly to the Lincolnshire Police towards repayment of the loan' followed by the recipients signature.

- not provide the Courts with their own bank details.
- 2.6 Following receipt of the signed court order and the loan application, and provided that the application is successful, the Finance Department will arrange for the bank payment to be made in the next available pay run for the full amount disclosed (unless previous payments have already been made by the court directly to the recipient). It is the responsibility of the applicant to check that the Courts haven't paid them directly. Any amounts received by the claimant and not deducted will be recovered directly from wages.
- 2.7 Once an individual makes an application for a loan, the payments from the Court should be immediately signed over to Lincolnshire Police, who will continue to collect the payments from the Court until the full compensation has been paid. Officers should assist Lincolnshire Police to enable them to obtain the payments directly from the Courts. Officers/staff members must inform Lincolnshire Police of any further correspondence from HMCTS. Payments received by Lincolnshire Police will have the effect of reducing the amount of the outstanding loan. Until the full amount of compensation has been received, the officer remains responsible for any outstanding balance.
- 2.8 For those officers or members of police staff that have already started the process of receiving compensation directly from the Courts, an application to Lincolnshire Police to make a loan for all outstanding amounts may be made, as long as Lincolnshire Police can recover further costs from the Courts.
- 2.9 Where the recipient leaves or retires any outstanding balance of the loan must be repaid on or before the final day of employment. The outstanding loan will be deducted from the final payment due to the officer and, if the net pay is insufficient to cover the outstanding amount, the officer must repay Lincolnshire Police. However, before such action is taken Lincolnshire Police will review the circumstances of each case and may decide not to seek repayment of any outstanding amount. If this discretion is exercised Lincolnshire Police will pay for any tax liabilities that may arise from the writing off of the outstanding loan.
- 2.10 Lincolnshire Police reserves the right to refuse applications and change or withdraw the scheme at any time. This scheme does not provide entitlement to any other loans or advances for any other purpose.