

**Civil Service Pensioners' Alliance
consultation response to Civil Service Pensions
2015 'McCloud Remedy' Remedial Service**

Consultation March to May 2023

Background

The Civil Service Pensioners' Alliance represents over 40,000 retired and deferred civil servants many of whom are affected by the McCloud Remedy.

This second phase of the Remedy Process is about the treatment of staff already retired or in the process of retiring.

This involves the practicalities in giving people information in a timely fashion on how to make their decision (on which scheme they will be taking their remedy service from) this will be particularly important for people who were on 'transitional or tapered protection' anyone with mixed service in more than one scheme, people who have deferred service.

Members in this group have expressed concern about not knowing when to go i.e., retire, in terms of the timing of receiving the Remedial Service Statement and what information it will provide.

We welcome a clear transparent Remedial Service Statement and the information included but also hope that where members request further support MyCSP staff and employer pension/HR staff are trained to provide clarity and guidance to those that need it.

However, the consultation intends to treat those who are in one scheme for the period (generally those classed as fully protected, for example in Classic) and retired on those benefits and who choose after receiving the information not to change then they can do nothing. The default is to stay in the old legacy scheme. This will be a relief to many members.

However, scheme members who are in the transitional group will really need the consequences of inaction to be spelt out. The 12 months to decide does seem to be an appropriate length of time.

Although some may put off and reminders at 3 monthly intervals offering telephone numbers for those who want more guidance may be useful.

Process

From October 2023 members who are affected will receive a Remedial Service Statement (RSS) this should outline what their options are and clearly show the consequences of change, so initially there could be a pension increase but this may mean making up contributions for example where a lump sum was maximised. Particularly in Classic the implications of the WPS refund and premium does need to be included.

For some people there may be tax implications. On the information given to decide as well as the bald numbers, tax implications need to be put clearly and advice sign posted before members commit.

This also applies to detail on 'interest' payable both to and from the scheme member. This will be sent out on paper, will there be data cleansing done beforehand for the appropriate group?

Particularly for 'deferred' scheme members up to date addresses may not be available. Will there be an advertising campaign to alert people who may have previous civil service to contact MyCSP with up-to-date address details?

Opt-out temporarily during the Remedy period is mentioned in the draft Regulations but a reference to the Scheme Manager and future guidance is noted. More detail quickly about contributions and interest (if any applicable) would be important it is a frequent question to CSPA.

Early Pension Age payments and how they are treated is important. Divorce and Spouse/Family benefit impact mentioned in the draft Regulations but how practically will this be approached?

Is there a minimum amount difference when the spouse/family is approached or is it universal?

Webinar Consultation

CSPA has responded to the consultation via two webinars involving Cabinet Office colleagues which were attended by over 240 scheme members whose views are reflected in this response and feedback sent separately.

On the direct consultation questions the regulations do seem fair and fit for purpose. They are detailed and clearly reference the Treasury directions. There does not appear to be a disproportionate impact on one group. Are they sufficient? That depends on the practical process of implementing the Regulations and we appreciate the work done by the Stakeholder engagement team on communications, so the regulations appear to be sufficient but until the process is rolled out it is hard to tell. Communication and Engagement is key.

Overall, the consultation has shown how detailed and far reaching the Regulations are. They need to process clearly fairly and equally.

We look forward to continuing working with Cabinet Office colleagues on the work going forward.

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