

# Hot Topics Autumn Edition

A woman with blonde hair, wearing a blue short-sleeved top, is sitting at a desk in an office. She is smiling and talking on a black telephone. In her left hand, she holds a yellow pencil. On the desk in front of her is a white mug and a black keyboard. The background shows an office environment with desks, papers, and other people working.

## 2015 Remedy Changes

Copyright MyCSP Limited 2021. The reproduction or transmission of all or part of these slides is prohibited. The information contained in these slides is confidential to MyCSP limited and you may not disclose it to anyone.

# Agenda



**2015 Remedy**



**Retirement  
Quotations**



**Pension Savings  
Statements (PSS)**



**CSCS**



**Interface  
updates**



**Questions**



# 2015 Remedy (McCloud)



Copyright MyCSP Limited 2023. The reproduction or transmission of all or part of these slides is prohibited. The information contained in these slides is confidential to MyCSP limited and you may not disclose it to anyone.

# What is the 2015 Remedy(McCloud)?



New scheme launched in 2015 (alpha)



Those closest to retirement age were allowed to remain in their original scheme



This was found to be discriminatory on age grounds



2015 remedy removes the discrimination identified



Stage one complete – all members in alpha from April 2022



Stage two is ongoing

# 2015 Remedy (McCloud)



Who is impacted?

**Those in the scheme on 31 March 2012 and still in continuous service on/after 31st March 2015**



When is the remedy period?

**1 April 2015 – 31 March 2022**



What happens to service for the remedy period?

**Members will be “Rolled back” into their Legacy Scheme for the Remedy Period (rolled back on 1<sup>st</sup> October 2023)**



What does it mean?

**Members can choose alpha or their legacy (PCSPS) scheme for the remedy period**



When do members decide?

**When they claim their benefits - from October 2023**



# Retirement Quote



PERSONAL  
Name  
Address

From: Civil Service Pensions  
PO Box 2017  
Liverpool  
L69 2BU  
UK

Date:  
Reference:

Tel: 0300 123 6666  
Tel (Intl): +441903 835902  
Fax: 01512 271469  
Opening hours: Mon-Fri  
9.00 -17.00

## Your pension benefits

Dear,

Your employer has told us that you are planning to retire/partially retire and that your last date of service/partial retirement date will be DD/MM/YYYY

If you are partially retiring and claim your PCSPS benefits as part of your partial retirement, these may be subject to abatement. Please refer to the guidance on the Civil Service Pensions website for more information about abatement.

We have enclosed the appropriate quotation for you.

In addition, we have also enclosed:

- Personal details form
- **(if taking partial retirement)** 'Option to take Partial Retirement' pension form
- Lump sum options form(s)

This letter also sets out:

- What you need to do now
- What will happen next

Notes to explain what's included in your quote

## Deferred Choice Underpin

In 2015 the government introduced reforms to public service pensions and most civil servants were moved into a new scheme called 'alpha'. In 2018, the Court of Appeal found that some of the rules put in place in 2015 were discriminatory on the basis of age. As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. This is called 2015 Remedy (McCloud).

As part of the Remedy, we want to ensure that affected members have a choice on the pension benefits received for service within the Remedy period 01 April 2015 – 31 March 2022 so members will be given two options (Deferred choice underpin - DCU).

The below table gives you an illustration of how your benefits will look under both the PCSPS and alpha schemes. From this information you can then make a choice of which benefits you wish to receive at retirement.

These options are:

### Option A Period

Start date to 31 March 2022

01 April 2022 to last day of service

### Benefits

PCSPS

alpha

### Option B Period

Start date to 31 March 2015

01 April 2015 to last day of service

### Benefits

PCSPS

alpha

2015 Remedy Choice

This pack contains detailed statement breakdowns of each option and its underlying scheme benefits, including any lump sum options available which we hope will help you make this decision.

## Actions for you

- You can find further information about how your pension has been worked out and a wealth of member tools and resources on the Civil Service Pensions website: <http://www.civilservicepensionscheme.org.uk/>.
- Please complete the DCU Option form by selecting Option A or Option B.
- Please complete and sign the Personal Details form(s) and option form(s) and return these to us as soon as possible. **The option forms should be completed in line with your decision to take either Option A or Option B.** We cannot pay your retirement benefits without them. If your marital status changes between returning these forms and leaving service, please let us know immediately as this could affect your benefits.
- You should not enter into any financial commitments until you receive your final letter which will confirm the benefits that we have authorised. This is because the benefits outlined on your retirement quote could change between now and when we process your benefits.



## Actuarially Reduced / Partial / Retirement quote – Option A

### Your personal details

Name  
Date of birth  
Member number  
Scheme classic

Personal details and type of scheme

### Your final pensionable earnings

The pensionable earnings used to work out your benefits  
This is based on your pensionable earnings for the year ending on DD/MM/YYYY

Your pensionable earnings in classic are based on your full-time equivalent salary, pensionable allowances and pensionable bonuses, along with any other benefits your employer deems to be pensionable.

When determining the best period of earnings to work out your pension, we look at your last three years of service.

To assess the best year within this three-year period, we use the "91 Day Step Back" rule. This means we look at 9 step-backs of 91 days each, starting from your last day of service.

Whichever of these periods produces the highest outcome is used to work out your benefits.

If this is not your last 12 months of service, your benefits have been increased in line with cost of living from the above date.

How your earnings are worked out

### Your reckonable service

Last day of service used to work out your benefits

Total reckonable service used to work out your benefits

This includes any reckonable service you have not claimed from your first day of service until 31/03/2022.

If you have partially retired, this total includes any reckonable service not used at partial retirement.

Reckonable service (calculated in years and days for final salary schemes)

### Your pension

Gross pension (payable from DD/MM/YYYY)	£ pa
Net pension actuarially reduced by a factor of	£ pa
Less modification because of national insurance benefits	£ pa
Modified pension (payable from DD/MM/YYYY)	£pa

Your pension per annum

# Retirement Quote



## Your options

You can give up (commute) ~~some of~~ your pension for a tax-free lump sum. We will give you £12 of lump sum for every £1 of pension that you give up.

The maximum lump sum that you can have is £. If you choose this amount, then your pension would be reduced to £. The pension payable to your dependants is not affected.

Your choice is

1. To take all your benefits as pension
2. To take the maximum lump sum that is possible under the scheme rules
3. To take a specified amount of lump sum which is less than the maximum

Your choice will apply to the benefits set out in this letter ~~and also~~ to any revisions that we make in future. This means that, if you choose options (1) or (3), any revisions to your pension will be paid entirely as pension (and not exchanged for lump sum).

## Lifetime Allowance

The pension shown in this quote will use up X% of your Lifetime Allowance.

The Annual Allowance (AA) is set by HM Revenue and Customs (HMRC) as the maximum amount of pension savings you can make across all registered pension arrangements, in any one year, that benefits from tax relief. If your pension savings in any year are more than the AA, you may be liable to pay tax on the amount over the AA. This includes the year in which you retire (unless you satisfy HMRC's conditions for severe ill health).

If your charge is more than the HMRC limit (currently £2,000), you can opt for the Civil Service Pension Scheme to pay the amount of any charge in relation to your Civil Service pension benefits only by permanently reducing your Civil Service Pension Scheme benefits. This is known as 'Scheme Pays' and you must elect to use this facility before taking your benefits.

If you are interested in using Scheme Pays please request a Scheme Pays Quote form from MyCSP. For full details of the AA refer to page PTM050000 of the Pensions Tax Manual, available on-line at

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm050000>

Lump Sum option

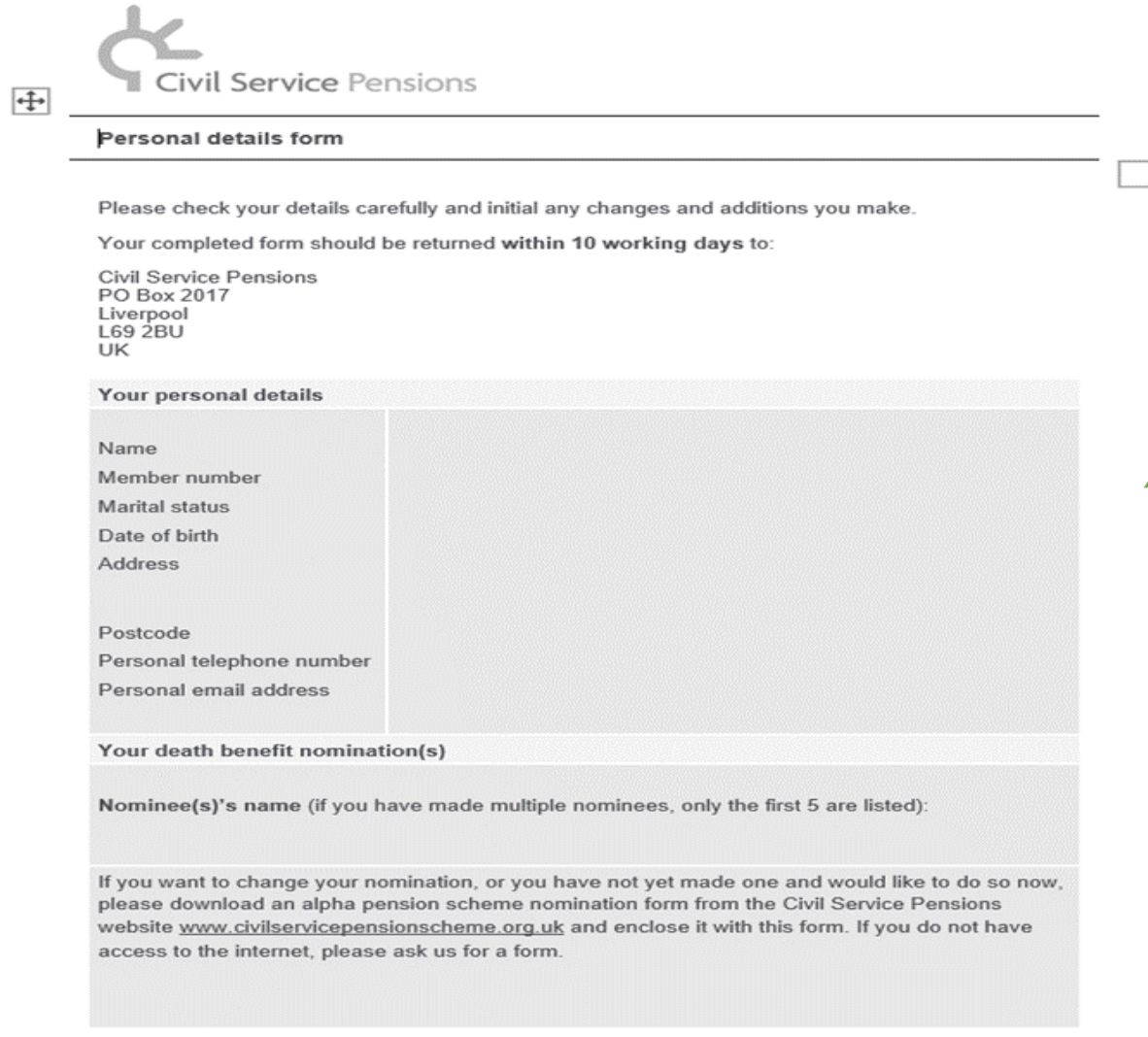


Lifetime Allowance used







# Personal Details Form



The screenshot shows the 'Personal details form' for Civil Service Pensions. It includes a header with the logo and title, a section for returning the form, and a large form area with sections for 'Your personal details' and 'Your death benefit nomination(s)'. The form fields are pre-populated with greyed-out text.

  Civil Service Pensions

---

**Personal details form**

---

Please check your details carefully and initial any changes and additions you make.

Your completed form should be returned **within 10 working days** to:

Civil Service Pensions  
PO Box 2017  
Liverpool  
L69 2BU  
UK

**Your personal details**

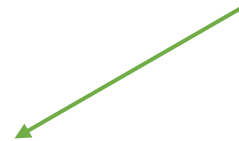
Name	
Member number	
Marital status	
Date of birth	
Address	
Postcode	
Personal telephone number	
Personal email address	

**Your death benefit nomination(s)**

**Nominee(s)'s name** (if you have made multiple nominees, only the first 5 are listed):

If you want to change your nomination, or you have not yet made one and would like to do so now, please download an alpha pension scheme nomination form from the Civil Service Pensions website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk) and enclose it with this form. If you do not have access to the internet, please ask us for a form.

Pre-populated with your information. If you need to make changes, please initialise and date this on the form



# Personal Details Form

**Your payment details**

Please provide us with your bank or building society account details:

Sort code	<input type="text"/>
Account number	<input type="text"/>
Building society roll number	<input type="text"/>
Name of account holder(s)	<input type="text"/>
Name of bank/building society	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Postcode	<input type="text"/>

We cannot pay your benefits into an account with the National Savings Bank. We can make payment to an account in the Irish Republic or to banks in some overseas countries, but you will need to complete a mandate form for the country concerned. These are available on the Civil Service Pensions website: [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk). If you do not have access to the internet, we can send you the form. An overseas payment will be made in the local currency of your bank, not in UK currency, and will take longer to process.

Ensure all bank detail fields are completed. Payment may be delayed if not!



# Personal Details Form

**Your marital status details**

Please tick the box that applies to you:

Single	I have never been married or in a civil partnership	<input type="checkbox"/>
Divorced	I enclose a original or certified copy of my decree absolute	<input type="checkbox"/>
Widowed	I enclose a original or certified copy of the death certificate	<input type="checkbox"/>
Married	I enclose a original or certified copy of my marriage certificate and have completed the details below	<input type="checkbox"/>
Civil partnership	I enclose a original or certified copy of my civil partnership certificate and have completed the details below	<input type="checkbox"/>
Civil partnership dissolution or death of civil partner	I enclose a original or certified copy of my final order certificate or my partner's death certificate	<input type="checkbox"/>

**Current spouse or civil partner's details**

Signature	<input type="text"/>
Full name	<input type="text"/>
Title	Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Miss <input type="checkbox"/> Ms <input type="checkbox"/>
	Other (please state) <input type="text"/>
Spouse or civil partner's date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>
Male or female	Male <input type="checkbox"/> Female <input type="checkbox"/>

Ensure all marital status fields are completed and include relevant certificates-original or certified copies



# Personal Details Form

**Lifetime Allowance**

**IMPORTANT NOTE from HM Revenue & Customs (HMRC)**

If you or any individual makes a false statement or representation in the completion of this section, whether fraudulently or negligently, they may become liable to a penalty of up to £3,000 if this results in relief from any Lifetime Allowance charge being obtained (or any tax due).

If you make a false declaration relating to an entitlement to an enhanced Lifetime Allowance under primary or enhanced protection (see Q1), whether fraudulently or negligently, you will become liable to a penalty of up to 25% of any relevant excess.

Before we can start paying your benefits, we need to check whether paying these benefits will give rise to a chargeable amount for tax purposes. This is known as the Lifetime Allowance charge.

**Q1.** Have you applied to HMRC and been given a primary, fixed, enhanced or individual protection entitlement that you want to rely on at this time? Yes  No

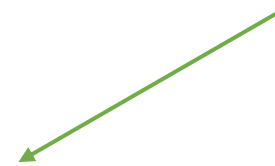
If you have answered "Yes", please send us a copy of the certificate(s) you were given by HMRC to confirm your entitlement.

**Q2.** Do you currently receive a pension or pensions, including any other Civil Service pension benefits or any benefits from an additional voluntary contribution arrangement, which started before 6 April 2006? Yes  No

£  p/a

If you have answered "Yes", please confirm the total current annual amount of pension you receive (before tax) from all sources (except for State pension and/or a survivor pension in your own right).

Ensure to read questions carefully (6 in total) and if relevant answer Y/N and provide certificates



# Personal Details Form

## Data protection

The Cabinet Office manages the Civil Service Pension Schemes and the Civil Service Compensation Scheme. MyCSP administers the pension scheme and will pay you your benefits.

The information in this form, together with details of your service history, will be used by MyCSP to administer any payments, and to provide analysis for management and statutory returns. We have a duty to protect the public funds we administer and may use the information about your pension to help prevent and detect fraud. MyCSP participates in an anti-fraud initiative run by the Audit Commission. From time to time they provide details of pensioners to the Commission so that they can be compared with information provided by other bodies to make sure that no pensions are being paid to pensioners who are deceased or are no longer entitled to them. These data matching exercises meet the requirements of data protection law.

The Data Protection Act 1998 gives you right of access to the information held by MyCSP. If you would like to know what information is held, please write to:

The Data Protection Officer  
Civil Service Pensions  
City Square  
40 Tithebarn Street  
Liverpool  
L2 2BW

## Declaration

I certify that the information I have given on this form is correct, or as I have amended, is to the best of my knowledge and I believe it to be correct.

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Sign and  
date your  
declaration  
and  
complete  
your Lump  
Sum option  
form(s)

## alpha pension scheme – Lump Sum Option Form

Please complete, sign and date this form and then return it with your Personal Details Form.

Please choose one option from numbers 1 to 3 only

### Option 1 – No lump sum

I wish to take all of my retirement benefits as pension. I do not want to give up any of my pension for a lump sum.

### Option 2 – Maximum lump sum

I wish to take the maximum lump sum that is allowed by HM Revenue & Customs.

I understand that my pension will be reduced by £1 a year for each £12 of lump sum that I take.

### Option 3 – Your chosen amount of lump sum (less than the maximum)

I wish to take a lump sum of £ \_\_\_\_\_ \*

I understand that my pension will be reduced by £1 a year for each £12 of lump sum that I take.

\* The lump sum we pay you may differ by a few pence from your chosen amount as a result of rounding up or down. The difference might be bigger if 'pensions increase' is included when we work out your benefits.



# Pension Savings Statements (PSS)



# What is a Pension Savings Statement (PSS)

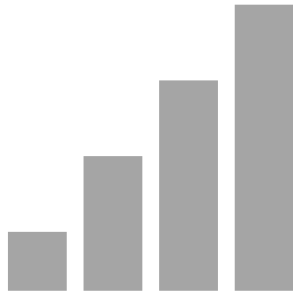
“A statement of the amount of pension saving in a pension scheme in the tax year”

Issued by 6<sup>th</sup> October each year

## Who receives a PSS?



# What is the Annual Allowance? (AA)

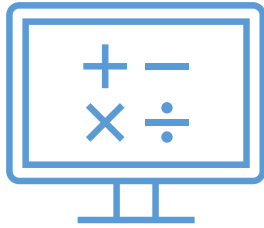


The limit by which the value of an individual's pension savings can go up in any year before they may have to pay tax. (£60,000 23/24)



PIP (Pension Input Period) is the 12-month period used to establish how much a member's benefits have increased by against the AA. PIP runs from 6<sup>th</sup> April -5<sup>th</sup> April

# What is the Pension Input Amount?(PIA)



The Pension Input Amount (PIA) is the value of benefits built up in any defined benefits scheme



The calculation is: 16 x the pension built up in the PIP year, + the increase in any automatic lump sum within the PIP year



The pension and lump sum figures from the beginning of the PIP are always adjusted by P.I. first



# Pension Savings Statements- Remedy impact

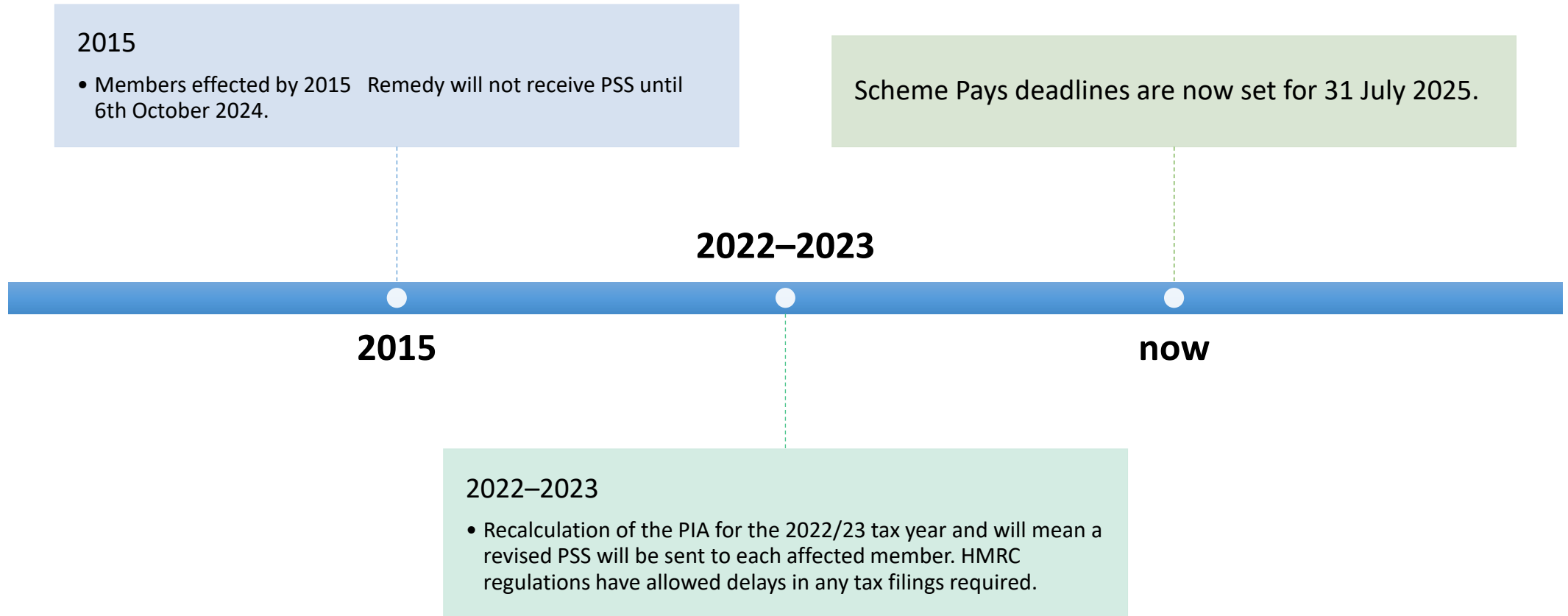


2015 Remedy (McCloud) effected members due a Pension Savings Statement (PSS) for 2022/23 won't be automatically issued a statement.



Remedy affected members were 'rolled back' into their relevant legacy scheme for the Remedy period (1 April 2015 to 31 March 2022), which will result in changes to members PIA

# Reporting a tax charge to HMRC



# Scheme Pays

Members who receive a PSS  
this year may still use  
Scheme Pays

Any Scheme Pays quote  
request received after 17  
November 2023 will still be  
processed, but payment of  
tax by 31 January 2024  
cannot be guaranteed.

More information can be  
found at:

<https://www.civilservicepensionscheme.org.uk/your-pension/yearly-pension-update/pension-saving-statement/scheme-pays/>



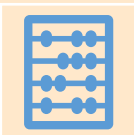
# Tax Awareness Sessions



Employers may wish to provide tax sessions for anyone who receives a PSS. They can be funded by the member or by the employer.



2023 sessions can be delivered via Microsoft Teams or face to face. Sessions are delivered by financial consultants Isio.



One to one sessions are also available if members require additional support.

- PSS Information

<https://www.civilservicepensionscheme.org.uk/your-pension/yearly-pension-update/pension-saving-statement/#2223-statements>

- EPN695

<https://www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn695-pension-saving-statements-reminder/>

- Tax Awareness bookings

<https://mycsp.co.uk/pension-learning/member-learning/>



# Civil Service Compensation Scheme (CSCS)

“The CSCS allows you to pay compensation to members who leave on early departure terms. It is a statutory scheme and gives you authority as an employer to compensate members for losing their job.”



# Employer References



The Scheme Manager has produced a number of scheme guides for the Department, Members and MyCSP.



These include step by step guides, model forms & letters and member awareness guides, all available on the scheme website.



Section 6 of the EPG also provides extensive guidance to employers on the subject of running CSCS and employer responsibilities.

<https://www.civilservicepensionscheme.org.uk/employers/employer-pension-guide/section-6-your-responsibilities-when-staff-leave-before-pension-age/>

# Scheme Rules for CSCS



Currently, CSCS rules implemented in 2010 are used. Previously the government had introduced changes in 2016, but these were overturned in 2017 when the Courts found that consultation had not been fully considered.



The Government is considering the best way to further reform the CSCS.



Until new CSCS terms are finalised, exit schemes will be on 2010 CSCS terms. The scheme manager will provide a minimum of 3 month's notice to employers in advance of new CSCS exit terms coming into effect.

# Different Terms Available

There are **three types** of early exit terms available that departments can use when considering an early exit scheme.





Remedy impacted members will be given their choices on CSCS paperwork if they choose to put their pension benefits into payment when leaving under CSCS terms



Members normal pension age (NPA) will be their normal pension age for their current scheme (alpha) as of 1<sup>st</sup> April 2022 all members are accruing alpha benefits.\*



Compensation calculator, ARR Buyout calculator and Added Pension calculator can be found on Civil Service Pension Scheme website [www.civilservicepensionscheme.org.uk/knowledge-centre/tools-and-calculators/pension-calculators/](http://www.civilservicepensionscheme.org.uk/knowledge-centre/tools-and-calculators/pension-calculators/)



# Interface updates

---

# Interface changes –Remedy Impact



To protect members who were 'rolled back' into their legacy scheme as per 2015 Remedy on 1<sup>st</sup> October 2023, we are enhancing the interface validations to reject any service history data provided in your interface, including deletion records, where the reported service event is older than 12 months.



This will be known as the rolling 12-month cut-off validation.



The pay period end date in your interface control file will be used to assess the 12-month rolling period.



<https://www.civilservicepensionscheme.org.uk/employers/employer-pension-notice/epn697-changes-to-the-interface-validation-process-for-service-history-events-greater-than-12-months-old/>

# Interface changes –Remedy Impact

A retrospective service history event occurs on your payroll, dated 1st November 2022

October 2023 interface – data will be accepted

November 2023 interface (or later) - data will be rejected and reported back on your Data Validation Report (DVR).

Reporting a 'leaver' by re-supplying the member's latest open service history line with the end date and end reason populated

Notification of a leaver and the leaver date is within the rolling 12-months cut-off period but the start date isn't, this record will pass the new validations as the event being reported is the 'leaver' date which is within the cut-off period.

Notification of a leaver where the start and leaver date aren't within the rolling 12-months cut-off period, this record will fail the new validations and be reported on your DVR.



# Further guidance for employers

## Civil Service Pensions Employer Hub

Support for Civil Service Employers

[Tools and Calculators](#) →

[Employer Pension Notices](#) →

[Employer Pension Guide](#) →

[Employer Resources](#) →

### Employer Pension Notices (EPNs)

Find the latest EPNs or if you know the number of the EPN you need - enter the number here to go straight to it.



Copyright MyCSP Limited 2023. The reproduction or transmission of all or part of these slides is prohibited. The information contained in these slides is confidential to MyCSP limited and you may not disclose it to anyone.



**Further pension training:**

[training@mycsp.co.uk](mailto:training@mycsp.co.uk)

[www.mycsp.co.uk](http://www.mycsp.co.uk)

0203 048 1992

**Enquiry centre:**

0300 126 1040 – employer line

0300 123 6666 – member line

[www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)



Interested in further training?:

[training@mycsp.co.uk](mailto:training@mycsp.co.uk)

[www.mycsp.co.uk](http://www.mycsp.co.uk)

0203 048 1992



Interested in further training?:

[training@mycsp.co.uk](mailto:training@mycsp.co.uk)

[www.mycsp.co.uk](http://www.mycsp.co.uk)

0203 048 1992



Interested in further training?:

[training@mycsp.co.uk](mailto:training@mycsp.co.uk)

[www.mycsp.co.uk](http://www.mycsp.co.uk)

0203 048 1992



# Hot Topics – What is coming up for Employers?

Winter Hot  
Topics

Employer  
Insight Survey

Employer  
Engagement  
Matrix

Added  
Pension EPN

Civil Service  
Pension  
Podcasts

Tax Support  
Sessions

Time for  
your  
questions



Civil Service Pensions