

Implementation of the McCloud remedy

The remedy for unlawful discrimination in the transitional protections in the Teachers' Pension Scheme (TPS), often known as the McCloud remedy, is being rolled out from 1 October 2023 onwards.

The McCloud remedy applies to all TPS members who started in TPS pensionable service before 1 April 2012, with TPS pensionable service between 1 April 2015 and 31 March 2022 (the remedy period). This includes teachers who have retired since 1 April 2015 with TPS pensionable service, and also surviving adult and children pensioners of TPS members who have died during this time.

In brief, the remedy means that teachers, former teachers and retired members can elect to have their remedy period service in either their final salary TPS or the career average TPS. Details of the remedy are available at: <https://www.teacherspensions.co.uk/members/scheme-changes/transitional-protection.aspx>.

The remedy does not apply to teachers without TPS pensionable service, including agency teachers and teachers in independent schools which are not in the TPS. However, if a teacher has some service in the TPS during the remedy period, and some service in another pension scheme during the remedy period, the McCloud remedy will apply to the TPS service.

The McCloud remedy applies to approximately 80% of teachers. The key NASUWT actions in connection with the start of the implementation of the McCloud remedy are:

Rollback into the final salary scheme

One of the first actions undertaken by the TPS is to roll back all teachers and pensioners with McCloud remediable service into the final salary scheme for that service. These scheme members will exercise their McCloud remedy choice at different times. Current pensioners and their survivors are Immediate Choice (IC) cases, and serving teachers and deferred members will exercise their McCloud remedy choice at the point at which they apply for their pension.

Rolled back teachers have received the following email correspondence:

www.teacherspensions.co.uk/members/scheme-changes/transitional-protection/rollback-october-2023.aspx.

There are a variety of TPS flexibilities which are available to new members of the career average TPS, which are time-limited, and all active members can take advantage of these, because the rollback means that all TPS members are deemed to have newly joined the career average TPS. Teachers' Pensions has written to all rolled back members about these flexibilities.

Applications for TPS pension

From now on, all applicants for a TPS pension who have McCloud remediable service will be provided with details of their McCloud remedy choice by Teachers' Pensions, and will have to exercise that choice before their application is approved and processed. Further information is available at:

www.teacherspensions.co.uk/members/scheme-changes/transitional-protection/planning-to-retire.aspx.

Issuing of Remediable Service Statements

Starting with TPS pensioners with McCloud remediable service, TPS members will now begin to receive Remediable Service Statements (RSSs), which set out the options available to them under the McCloud remedy. The benefits structure in the career average and final salary schemes are quite different, and the RSS will set these out. Surviving adult partners (widows, widowers, surviving civil and other previously interdependent partners) will also receive RSSs if the McCloud remedy applies to them. The roll-out of RSSs will take 18 months and TPS pensioners will have 18 months from when they receive their RSS to exercise their McCloud choice – this is to provide sufficient time for pensioners to access financial advice, should they need it.

NASUWT's response

NASUWT has been working with the Department for Education (DfE) and Teachers' Pensions for two-and-a-half years over the implementation of the McCloud remedy, in order to ensure that members have the best opportunity to secure improved pension benefits. This includes the DfE/Teachers' Pensions' communications strategy. Members should seek information about the implementation of the remedy from Teachers' Pensions, not NASUWT.

Members are advised to register with the Teachers' Pensions portal, My Pension Online, which is on the Teachers' Pensions website, and will be the main conduit for information about the McCloud remedy: <https://www.teacherspensions.co.uk/members/member-hub.aspx>.

Under no circumstances should NASUWT Representatives, caseworkers, officials or officers provide advice to members about their McCloud remedy choice, any connected matters (such as taxation) or the content of the RSS. Such advice can only be provided by a regulated financial advisor. NASUWT Representatives are not indemnified to provide advice.

NASUWT wishes for all members who fall within the scope of the McCloud remedy to benefit to the maximum from it, but advice on this cannot be provided by NASUWT. Members can be advised that Wesleyan will provide financial advice on the content of the RSS, once they have received this, or on rollback options.

The implementation of the McCloud remedy will take approximately 30 years, and members should not become anxious if they do not receive an RSS early in the rollout of the remedy.

The National Executive's Salaries, Pensions and Conditions of Service Committee will be holding a briefing for secretaries and National Executive Members to advise on key aspects of the remedy, how best to respond to members who have queries about the remedy, and to answer any questions about its implementation. The briefing is taking place on Monday 6 November 2023 at 6.00pm. Details of how to join are at: https://nasuwt-org-uk.zoom.us/webinar/register/WN_Ewfy6011R4ajmF-wjMhsEA#/registration. Please note that this briefing is not for the generality of members.



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