

Implementation of the McCloud remedy

The remedy for unlawful discrimination in the transitional protections in the Scottish Teachers' Pension Scheme (STPS), often known as the McCloud remedy, is being rolled out from 1 October 2023 onwards. The Scottish Public Pensions Agency (SPPA) uses the terminology '2015 Remedy' to refer to the McCloud remedy and there is a '2015 Remedy Hub' on the SPPA website .

The McCloud remedy applies to all STPS members, who started in pensionable service before 1 April 2012, with STSS or STPS pensionable service between 1 April 2015 and 31 March 2022 (the remedy period). This includes teachers who have retired since 1 April 2015 with STSS or STPS pensionable service, and also surviving adult and children pensioners of STSS/STPS 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 STSS or the career average STPS. Details of the remedy are available at the SPPA's remedy hub on their website at: <https://pensions.gov.scot/teachers/teachers-remedy-hub/teachers-remedy-im-paying-pension>.

The remedy does not apply to teachers without STSS/STPS pensionable service, who have opted out of the STSS/STPS or are in independent schools which are not in the STPS. However, if a teacher has some service in the STSS/STPS during the remedy period, and some service in another pension scheme during the remedy period, the McCloud remedy will apply to the STSS/STPS service.

The McCloud remedy applies to approximately 80% of teachers. The key 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 STSS 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.

There are a variety of STPS flexibilities which are available to new members of the career average STPS, which are time-limited, and all active members can take advantage of these, because the rollback means that all STPS members are deemed to have newly joined the career average STPS.

Applications for TPS pension

From now on, all applicants for an STPS pension who have McCloud remediable service, will be provided with details of their McCloud remedy choice by the SPPA, and will have to exercise that choice before their application is approved and processed. Further information is available at: <https://pensions.gov.scot/teachers/teachers-remedy-hub/teachers-remedy-im-ready-retirement>.

Issuing of Remediable Service Statements

Starting with STSS/STPS pensioners with McCloud remediable service, STSS/STPS members will now begin to receive Remediable Service Statements (RSSs), which set out the options for them available 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 STSS/STPS pensioners will have 12 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.

Information for retired members subject to the McCloud remedy is available at: <https://pensions.gov.scot/teachers/teachers-remedy-hub/teachers-remedy-im-retired>.

NASUWT's response

The NASUWT has been working with the SPPA 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 SPPA communications strategy and members should seek information about the implementation of the remedy from SPPA, not the NASUWT.

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 about the content of the RSS. Such advice can only be provided by a regulated financial advisor and NASUWT representatives are not indemnified to provide advice.

The 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 the 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 Wednesday 15 November at 5pm online, and details of how to join are at: https://nasuwt-org-uk.zoom.us/webinar/register/WN_jX1fTqXETnaFWM1FBKDCPw#/registration.

Please note that this briefing is not for the generality of members



E-mail: advice@mail.nasuwt.org.uk
Website: www.nasuwt.org.uk