

## Retiring with 2015 Remedy (McCloud)

**Rob:** Today, we're talking about what the 2015 Remedy means for retirement. We're joined by Chris, who recently retired and can tell us how the 2015 Remedy affected her decision to retire, the process involved and her perspective after having left work behind for good.

**Emily:** We're also joined by Kevin Hughes, a policy expert from Cabinet Office, to help us understand the more technical aspects of what 2015 Remedy or McCloud means for your retirement and what the next year holds for affected members.

**Rob:** Chris, Kevin, thank you so much for being with us today.

**Rob:** So, before we start getting into the detail, Kevin, could you give us a very brief, very layman's terms view of what the 2015 Remedy is and why it is so significant?

**Kevin:** Yep, certainly.

So, 2015 Remedy comes about because, back in 2015, most, but not all, and that's very important, civil servants and indeed all other people across the public sector were moved into new, career average pension schemes, in the civil service's case, the alpha pension scheme. Now, I say most, but not all, because people within 10 years of retirement, as at 31st March 2012, remained in their legacy schemes, as we call them. This is the classic scheme, classic plus, premium, and nuvos pension schemes. And also, people who were age 46 and a half, um, or more, a bit older for nuvos, they, um, got what's called the tapered protection. They remained in their legacy scheme a little bit beyond 2015, but they did move to alpha. So, a legal challenge was brought against this because it was considered age discriminatory and eventually it was found indeed it was age discriminatory.

So, what has had to be done to correct this is to give people a choice. Let's say between what's called the Remedy period now, 2015 and 2022, people can either choose to have all of their service in their legacy scheme or they can have all of their service in their alpha scheme, because as at the 1st April 2022, all members were moved into alpha in the case of the Civil Service.

So, that was when there was no discrimination because everyone's being treated equally. But for the period between 2015 to 2022, people were initially being treated differently and to remedy that, that's where the name 'Remedy' comes from, people have to be treated the same. And the way that will be achieved is to give people a choice of, do you want to be in the legacy scheme, or do you want to be in the new scheme?

People make that choice at retirement. It's only when they come to take their benefits that they need to make that decision about which way do I want to be treated for the 2015 to 2022 period.

**Rob:** And it's probably worth noting that we did do a, a sort of, deep dive on the 2015 Remedy and the whys and the wherefores and how it works in a previous episode. Was that in series two, Emily?

**Emily:** Yes, that's right. It was called '2015 Remedy (McCloud) explained', so look out for that one if you want to learn a bit more.

**Rob:** Chris, can you start by telling us a little bit about yourself and your career?

**Christine:** Yeah, so, uh, I spent 36 years in public service. I started, first of all in local government, where I did 15 years for the London Borough of Redbridge, running services such as school meals, public toilets, facilities management, quite a varied career.

Um, and then in 2001, I moved to the Cabinet Office as the Head of Facilities Management, looking after the, uh, London estate, so most of Whitehall, which was a fascinating job. Um, and then in 2015, I moved to the government property agency when all of the properties were centralized as part of government.

**Rob:** So, you know where all the secret doors are in Whitehall.

**Christine:** I do, and the tunnels.

**Emily:** Wow.

**Rob:** The tunnels, oh, we could do a whole episode about the tunnels.

**Christine:** Can't tell you, you know, I'll have to kill you.

**Emily:** Thanks Chris. So, let's talk about your decision to retire. What was going through your mind at the time?

**Christine:** Yeah, so I have decided to retire a little bit early. Um, I'm age 58. Uh, the basis of that decision is my husband is 10 years older than I am. He's already retired. Um, my son is 18 and just finished his A-levels. So, we're going to go traveling. Um, so that's the plan. Um, I think it's important you make time for your retirement and don't just keep on that treadmill of work while you're fit and healthy. Uh, have the opportunity, uh, to travel, uh, take it.

Also, I'd got to a point in my projects at work where I would either have to commit, really, for another four or five years, um, because we're constructing buildings. They don't just pop up overnight. Um, or I could leave at this point, which, um, I decided that was the right time to do. Um, gave the, uh, Cabinet Office and, and Government Property Agency, good notice, um, they recruited my replacement and had a good six-month handover, so I know it's left in safe hands, uh, to go forward.

**Emily:** That's good. That's reassuring.

**Rob:** So, you can go traveling in the comfort that those buildings are going to come up okay in the next five years. Yeah.

**Christine:** In the next five years, yeah.

**Rob:** So, Chris, you're impacted by the 2015 Remedy. Like a lot of members are, you know, something like 400,000 members in scope. I'm sure Kevin will correct me if I'm wrong on that. How much did you know about the 2015 Remedy at the time?

**Christine:** I knew quite a bit. I'd gone to Civil Service Live and there was a whole lot of information on the CSP stand, which I'd looked at. I had a couple of colleagues who had retired in the past year, so they're impacted, but have yet to get their figures because they have already retired before the figures were available in October.

So, we sort of knew about it in the background, did quite a bit of looking on the website, which was really useful, the two calculators that you've got on there, to enable me to, sort of, start to understand what the impacts were going to be.

I always knew, actually, it would be close in the way that it would come out, principally because the alpha scheme is better for me, technically, but because I've retired so much earlier, the actuarial reduction was nine years, whereas against premium, it was only two years. So, I knew that it would be the actuarial reduction that would impact, and in the end, premium was the better option to go with.

**Rob:** So, you did your research?

**Christine:** Yes, I did.

**Emily:** So, how did that affect the process that you went through when you were retiring? Did you have any expectation about what it would mean?

**Christine:** I wasn't clear, actually, totally, financially what it would mean, in terms of what the real difference would be. But it didn't have an impact on my decision to retire. I always knew that that was going to, you know, it wasn't going to be that big an impact. What it did mean was I had to wait for more for my figures than I probably would have done.

I would have been absolutely more certain about the amount of my pension was going to be from the calculator than I was, because I just knew there was going to be a little bit of a difference. It meant that when the figures came through, I spoke to my financial advisor just to make sure I was making the right decisions, um, around the lifetime allowance, et cetera. And, um, went for the option of premium in the end.

**Rob:** Okay, so let's bring in Kevin at this point to talk a bit more about the process. So, Kevin, what, what can members who are approaching retirement expect?

**Kevin:** So, it rather depends on what we mean by "approaching retirement", because that could mean a lot of different things to different people. For some it would be a matter of months, and for others they plan their retirement out several years in advance.

So, the main thing to be aware of is there's nothing you specifically need to do right now. When you do come to retire, what you should be doing is going through your employer [for] a retirement quote. You should be doing that at least four months in advance.

Which might sound a long time but, obviously, CSP need to make sure your record's perfect arrange all the lump sums and things like that. So, it just takes a little bit of time. So, if you're on the cusp of retirement, then you should be thinking about getting a quote within four months.

But for most people, literally, they don't need to do anything right now. By, um, next April, every active and deferred member will be getting what's called a Remedy Savings Statement, which will set out all of your options. So, that would be very useful tool to inform you as to what your retirement benefits will actually be. So, when you do come to retirement and you have got your quote, what you will receive from CSP is a document that sets out two options, option one, option two. Option one will be if you had decided to stay in legacy schemes.

This is your classic, classic plus, um, premium or nuvos benefits. Then that will be what your benefits will be if you had stayed in that up until the 31st March 2022, when everyone was moved into the alpha scheme. Whereas the other option will be showing you if you had moved into alpha in 2015, had alpha service from 2015 onwards.

And also, both options will include your pre-2015 service and your post-2022 service. That'll be the absolute total amount you'll get. So, it's actually quite simple for most people. They've literally got a comparison of the annual pension, what you'll get as at your preferred date of retirement, and what your lump sum will be.

And for most people, that will be a fairly straightforward decision there. But you should be aware there will be some difference in the survivor benefits. For most people, that won't be significant, but it might be important for some people to just make sure you understand the full set of benefits there. For those people who might be a little bit further out to retirement, people who are maybe four or five years away, on the website, there is a Remedy Benefits Illustrator. You can go and you can play with that, put in your own numbers. Obviously, that is, um, your own numbers and the actual real numbers will be a little bit different, things like final salary and whatnot, but it is a good idea.

Both alpha is an excellent scheme and legacy schemes are excellent schemes. So, most people are not going to find it's going to be a light and day difference. And in particular, a lot of people assume that the legacy scheme will be better.

And that's really not always the case by any means. It will be for some people. It won't be for others. So, please do make sure you study the Remedy Benefits Illustrator carefully and your form when you get it. One group in particular I would mention is the, uh, tapered protection members, these are people who were moved into alpha at some point after 2015 but before 2022.

So, they had got some of the remedy period now and some of it in the legacy scheme. For those people, you can't keep what you've got, as it were. So, you've, you might have been getting benefit statements that show you into alpha in 2018 and you can't keep that you have to choose either all legacy, um, for the period or all alpha for the period. So, just be aware that you won't be able to keep your tapered benefits.

**Rob:** So, one thing I always think that, well I always get confused about and that I know members get confused about with the Remedy is that Remedy period. I think a lot of people that I've spoken to think that they're making a decision between having alpha or legacy. But you're only choosing that for that seven-year period, it's not for your entire pension. So you'll still get your legacy service for any time pre-2015. That's right, isn't it?

**Kevin:** Yes. So, basically everything you got up to before 2015 is unchanged. That's in the bank, as it were. One thing, it does confuse people about their pre-2015 service is people in

the final salary schemes. That's classic, classic plus and premium schemes. A lot of people, um, think that their final salary is frozen when they moved into the, the new scheme alpha, which isn't the case.

Basically, your final salary scheme is when you leave the scheme fully. So, even if you get moved to alpha, that doesn't affect anything. Your pension will remain linked to your final salary. It's only when you actually leave the scheme, which in many cases will be to retire, although you might move to go to another job or something.

And it's at that point that the final salary is assessed. So, for example, if you were to retire in 2027, it'll be the final salary as at 2027 that determines all of your legacy final salary scheme. And that would be both the pre-2015 and if you choose, um, the legacy scheme option, your 2015 to 2022 legacy scheme service.

**Rob:** It's amazing how it just rolls off the tongue, Kevin. It's like crikey. I mean, it's a lot there. That is a lot to take in. I mean, I guess what it really boils down to for members is they will receive a document that presents the options, and they get to choose. And if you're like Chris, perhaps you get some advice from a financial advisor to make sure that you're making the right decision. It is as simple as that.

**Kevin:** Yeah, I mean, don't get too worried. For most people, this is really a simple process. A lot of people will find, oh, look, I can get a higher pension and a higher lump sum from one of my options than the other. And some people might think, what am I missing? Um, and in most cases, you won't be missing anything. Um, the scheme is obligated to send everyone a choice, even if it seems, well, isn't it obvious that maybe the legacy is better than alpha or possibly the other way around?

And it really should be a quite straightforward choice. For most people, both of them are going to come out at quite the same similar level. So, some people might want to take advice, but really hope that the vast majority of people wouldn't need to.

**Rob:** And I guess, when you talk about higher in, you know, alpha and or, you know, legacy, we're not talking thousands of pounds here, where, you know, for the majority of people, it's, it's going to be presumably a nominal difference. Is that right?

**Kevin:** Yeah, you might see maybe £100 or so difference in the annual pension.

**Christine:** For me it was about £1000 per annum difference. The statement that Kevin talked about is really, really straightforward, very easy to understand and really clear to make the choice. My only reason for going for financial advice was I just tipped over the lifetime allowance limit, so I just needed to know what was best. But, of course, legislation changed on that as well, and because there was no lump sum, it didn't actually impact it.

**Emily:** And I suppose, like you mentioned, you retired slightly earlier, so that was the other, kind of, aspect of, or maybe I will get a bit of advice to make sure I'm doing the right thing and make sure I know the whole picture.

It's a really good point that you made, Kevin, around, the importance of giving everybody the choice. So, if you receive your quote, like Chris did, and the difference or the benefits of one are obvious compared to the other, the important thing is that we are obligated to give you

that decision making power. So, we're not going to make that decision for you. It's completely up to you.

**Kevin:** Yep, that's right. And that's particularly important for anyone who might be in the nuvos pension scheme. Because what you may find is that, actually, your quote is strictly better under nuvos.

That's quite common because basically nuvos and alpha are very, very similar. The only real difference is the normal retirement age. In nuvos, it was 65, whereas in alpha, it's your state pension age, which might be 66 now or 67. So, so usually except in cases of death and ill health, nuvos will be better than alpha, but we still got to send you that statement saying, would you like this lower pension or would you like this higher pension? And for most people, that's going to be an easy decision.

**Emily:** So, what about members who are looking to partially retire? Is it a broadly similar process?

**Kevin:** Yep. It's basically exactly the same. Obviously to partially retire, you need to agree this with your employer in the first instance. You'll have to reduce your earnings by at least 20% to partially retire and take some or all of your pensions. And you can, it's very flexible about which pension you might want to take and how much of it you might want to take, but you do need to make your decision at partial retirement.

And that will be your decision on all of your pension. So, even if you were to partially retire and just decide you want to take only your legacy pension, you still have to decide you want to take that legacy option or do you want to take the new scheme option at partial retirement. And then when you finally retire in a few years or whenever it might be then your pension will be put into payment based on that option. There won't be a second option to take when you do finally retire.

**Emily:** Okay, that's good to know. And I suppose, it's worth us mentioning that we are doing a minisode in this series all about partial retirement and the process involved. So, do look out for that if you want to learn a bit more about partial retirement as well.

**Rob:** But I guess, the takeaway I'm getting from what you've just said there is that, if you partially retire you will just be given a choice the same as everybody else and it will be laid out in front of you to make and it's not going to be really difficult and really complicated for you.

**Kevin:** Yeah, basically. I mean, it probably is a slightly more complicated 'cause obviously you are somewhat second guessing the future and thinking, what might it be like five years down the line, so you're not making your final decision. But it's still a nonetheless be very straightforward decision to make. You've still got the option one, option two. Actually, the harder part is probably deciding on how much of your pension you you want to take and how many hours you want to work in the future. That's probably gonna be harder than the actual deciding whether it's option one or option two for you, whether it's legacy or new scheme.

**Rob:** I know, if it was me, I feel like I need to be doing something. What can members do to, kind of, prepare, you know, in the meantime, in advance of retirement?

**Kevin:** So, it depends on how long it is. Obviously, if you are on the cusp of retirement and you're needing to get that quote now, if you're wanting to take your pension in four months, really, it's make sure you get your quote request in good time. If it's a little bit further away, a year or two, really do pay attention for when you get sent your Remedy Savings Statement, which sets out your option one and two. That's all from the live data in the system, so that will give you a very good indication of what will be on your quote form. Obviously, if you were to retire at Normal Pension Age or if you retire earlier, it'll all be adjusted and things like that. But the Remedy Savings Statement will give you a lot of the information you need and as I said, everyone will be getting one of those by um, March 2025, but hopefully earlier for many people. And then there's tools on the website as well. There's partial retirement pages and a partial retirement calculator, the Remedy Benefits Illustrator.

So, do make sure you visit the scheme website, use the tools, and you got, um, the information from your Remedy Savings Statement in due course. But even so, people are getting their Annual Benefits Statements now, so you'll basically get your legacy scheme option sent to you in your Annual Benefit Statement and then a bit later on, when you get your Remedy Savings Statement, that will set out both options, so you're going to be getting a lot of information coming down. So, stay alert, look at the scheme web pages, those are updated regularly and with the latest position. But you should have all of the information you're going to need by the very latest March 2025, and obviously you can speak to the scheme administrator if you need things in the meantime.

**Rob:** It's probably worth noting that not everybody is affected by the 2015 Remedy either, so some people listening to this might not be in scope and be thinking crikey, I need to consider all of this as well. There is a tool called the am I affected tool on the scheme website that members can use to find out if they are in scope of Remedy. We can put a link to that in the show notes.

**Emily:** [17:04] Definitely. I think the main takeaway from everything that Kevin has covered is that essentially, you don't need to do anything right now. As soon as we need you to do something, we'll contact you directly. And whether that's through the retirement process with the quote and making your choice there or, or elsewhere.

**Kevin:** Yep, that's absolutely right.

The overwhelming majority of members do not need to contact us. I would just take the opportunity to highlight one group of members who do actually need to contact us. And that's if you joined the Civil Service after 2012, but you had service in another public service pension scheme. So, maybe you were in the NHS, and you came and joined a Civil Service in say 2014, but we wouldn't know about that.

We would just think you joined in 2014. And so, we might not actually know you're in scope of Remedy. You are, because service in another public service pension scheme qualifies you, but obviously, we need to know about that. So, if that does cover you, then you should make yourself known to CSP and tell them that you are covered by the Remedy but otherwise, no, you can just sit back, and you'll get informed in due course.

**Rob:** I guess what's been good for me is to hear the technical information from you, like, just like a font of knowledge, you know, which is, it's quite overwhelming, isn't it? It feels quite overwhelming to kind of hear all that, but then to actually hear you, Chris, just say, yeah, I spoke to a few people, ticked a few boxes and then got my pension, you know, and that's that's the experience that you've had as a member. There's nothing to be scared of there.

**Christine:** No, nothing to be scared of at all, and the information Kevin's mentioned on the website is just fantastic. You can get yourself a real feel about what your pension will be from the website, and then the choices come through and they're more or less the same, so it's really good stuff.

**Rob:** I promise we didn't pay Chris to say that either. I should probably say that the website is [civilservicepensionscheme.org.uk/remedy](http://civilservicepensionscheme.org.uk/remedy), and you can get everything to do with Remedy on those pages.

**Emily:** Yes, absolutely. Thanks for that, Kevin. There's so much information there. It's clear that you're really an expert on all of this, so I really appreciate you taking the time to come and talk to us today.

I'll just finish with one final question for you, Chris, if that's okay. From your perspective, is there anything more that the scheme could have done to support you while you were approaching retirement or moving through the process?

**Christine:** Not really. Um, I think everything was really straightforward. I think the, um, advice that HR gave, in terms of putting in your request in good time was a really good piece of advice and you know, everything was there that you needed. It's really straightforward.

**Emily:** Really good to hear.

**Rob:** I suppose the only other thing is whether there's been any impact on you Chris, in terms of your retirement, because of the 2015 Remedy, but it sounds like that's not the case.

**Christine:** Not really. Because you know, [the] alpha scheme is a good scheme. Um, you know, the financial impact was, well, it was £1000 per year. So, not really a big impact overall, not enough to make you change a decision. I think, you know, retiring early, I knew would have an impact because of the 67 retirement age for alpha and the 60 retirement age for premium, um, always knew that would impact on the value of the pension. But fundamentally, I'd made my decision that, uh, 58 was the age I was going to leave and, um, you know, exactly 36 years service to the day, it was time to go.

**Rob:** And I suppose from your perspective, now you've retired, you know, and you've made the choice. The money goes into your bank account every month and you couldn't care less about the 2015 Remedy anymore.

**Christine:** Not anymore.

**Emily:** It's really nice to see that you're so, kind of, content in retirement and with, you know, how you're spending your time. You mentioned that you're going, you're planning to go traveling. Have you got anywhere particular in mind?

**Christine:** So, currently planning across America by train.

**Emily:** Oh wow.



**Christine:** So, trying to work out the various routes but until we go on that big trip, it's lots of European cities that we want to see.

**Rob:** And is that, kind of, preparing you for traveling through America or is that just in addition?

**Christine:** Just in addition. Might as well while you can.

**Emily:** Absolutely.

**Rob:** What other ambitions have you got for your retirement?

**Christine:** So, I also want to do some voluntary work. So, there's a couple of things I'm looking at. Um, I'm going to be governor, hopefully at a school, local school. Um, but also my village, um, scout group require a new, uh, scout headquarters. And with my property knowledge, I'm likely to project manage building a new scout headquarters for the village. So, that would keep me out of mischief when I'm not travelling.

**Rob:** I was going to say, you're going to be very busy.

**Christine:** Yeah.

**Rob:** Thank you both for joining us on the podcast today. It's been really good to do a deep dive and hear your experiences, Chris, and obviously, get all the expert knowledge from you, Kevin.

**Kevin:** Great, thanks for having us.

**Christine:** Yep. Thanks very much.

**Emily:** To find out more about anything we've talked about today, or to tell us about something you'd like us to cover in a future episode, head to [civilservicepensionscheme.org.uk/podcast](https://civilservicepensionscheme.org.uk/podcast). You can also find links to information, transcripts, and accessible versions of this podcast in the episode description.

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**Emily:** This episode was recorded in July 2024. All information is accurate at the time of recording. Thanks for listening.