



HM Treasury

Important Choice for Public Servants – Your Pension

In 2015 most public service pension schemes were reformed. These reforms included ‘transitional protection’, for people closer to retirement. The Courts have ruled that this directly discriminated against some younger pension scheme members.

The government’s proposals to remove the discrimination will apply to all pension scheme members who were in service on or before 31 March 2012 and on or after 1 April 2015, including those with a qualifying break in service of less than 5 years.

Many affected members will benefit from this change.

Changes to the judicial and local government pension schemes are being consulted on separately. For everyone else, the government will provide affected members with the option to choose between their old (mostly final salary) and new (career average) pension scheme benefits for service between 1 April 2015 and 31 March 2022.

The government is seeking views on how this choice might work. There are two different proposals:

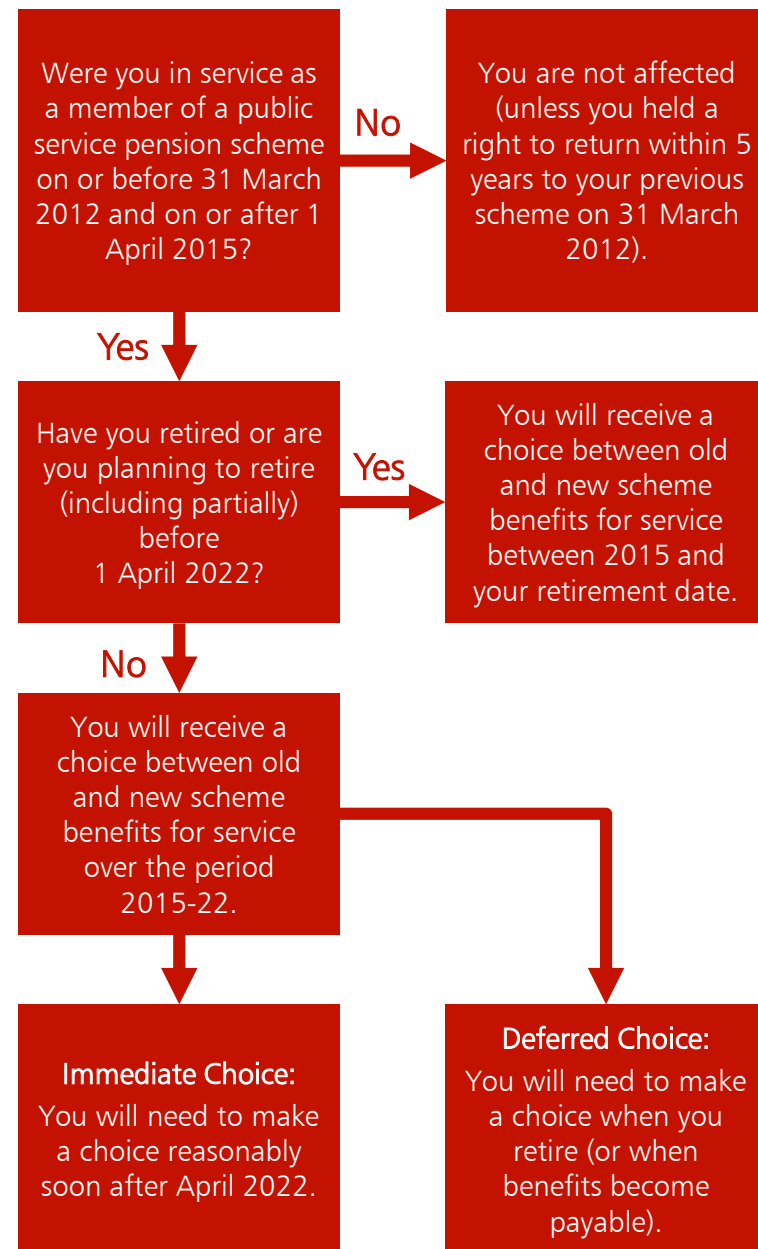
1. An Immediate Choice Exercise

The choice will be made by members as soon as practicable.

2. A Deferred Choice Underpin

Members would remain in, or be returned to, the old schemes for service between 2015 and 2022. At the point of retirement (or when benefits become payable) or as soon as practicable (for members who have already had a pension award), members would be then able to choose to instead receive new scheme benefits for that period.

Are you affected?



Future Pension Provision

The total annual cost of public service pension scheme benefits stood at **£41.8 billion** in 2018-19, most of which fell to the taxpayer.

The 2015 reforms to public service pensions increased fairness and affordability. The government believes these schemes provide good pension provision and continue to be more generous than most private sector pensions.

All public servants who are building up benefits in the main public service pension schemes will be placed into the 2015 reformed pension schemes from 1 April 2022, regardless of when they joined, therefore providing equality of treatment. Changes to the judicial and local government pension schemes are detailed separately.

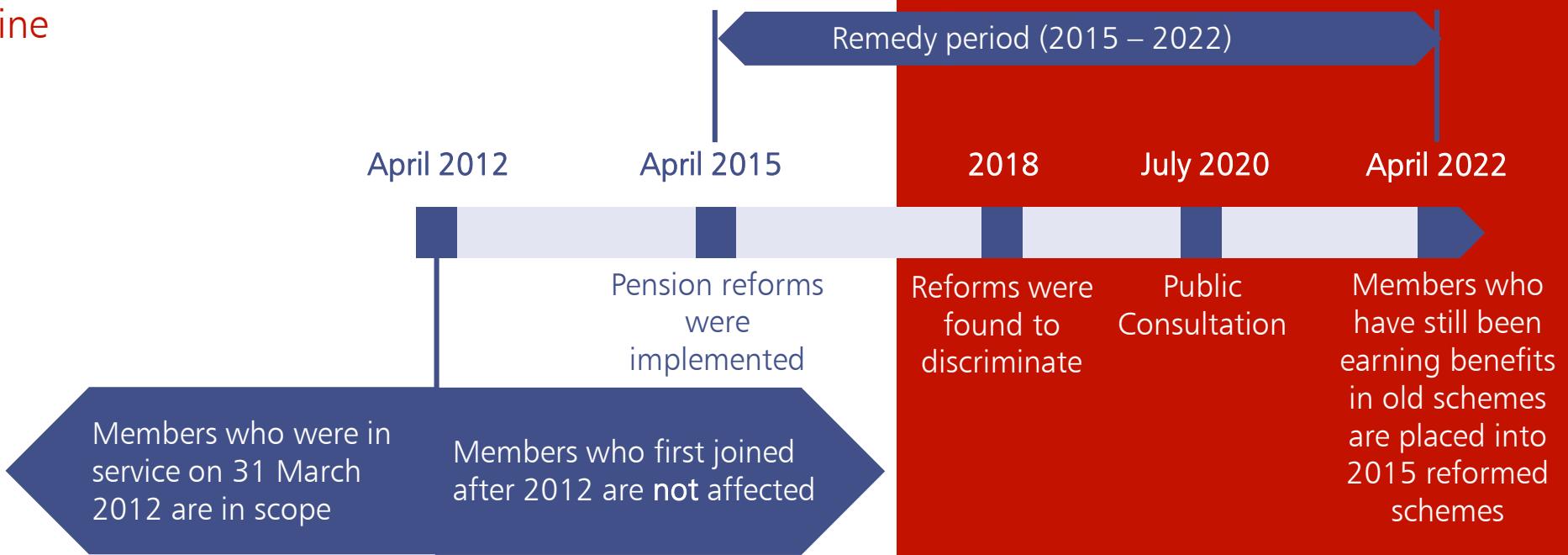
Further Information

The government is currently consulting on these proposals in advance of introducing them into law.

Anyone can feed in their thoughts on these proposals by responding to the consultation.

This leaflet does not provide a detailed explanation of individual members' legal entitlements. These would be provided for in scheme rules, which would override anything in this leaflet where there were differences between the leaflet and rules.

Timeline



Member FAQs

Who is in scope of the consultation proposals?

Scheme members who were serving on or before 31 March 2012 and still serving on or after 1 April 2015 will be in scope of these proposals.

This includes those members who are currently active, deferred or retired, and those with a qualifying break in service of less than 5 years.

You do not need to put in a legal claim to be eligible for the changes proposed in the consultation.

Why are members who joined after 31 March 2012 not in scope?

The Court of Appeal's ruling identified unlawful discrimination between older and younger members in service on or before 31 March 2012. It is therefore these groups that the government are now equalising treatment between.

What do I need to do?

The government is consulting on proposals to remove the discrimination. This is your opportunity to put forward your views. Details of how to respond are set out in the consultation document.

What are the deadlines to respond?

This consultation will run for 12 weeks and will close on Sunday 11 October. Details of how to respond are set out in the consultation document.

When will the government confirm details of the changes to pension schemes?

The government will make a decision on the changes following consideration of the consultation responses. After that it will be some time before any changes are implemented as they will require legislation and new systems to be put in place.

Why are these changes necessary?

The government is committed to removing the discrimination for all those affected. It cannot simply return everyone to their old scheme because many people are better off in the new schemes. The government is therefore giving members the choice.

Will those protected by transitional protection also receive a choice between the new and old schemes?

Yes, members who originally received transitional protection will also be provided with a choice of which scheme benefits they would prefer to receive for the remedy period.

What's happening after the remedy period?

The remedy period ends on 31 March 2022. After that all active members will be placed into their 2015 scheme.

How will this affect those who have retired or will retire before 2022?

All affected members will be given a choice between old and new scheme benefits for service between 2015 and their retirement date.

Where possible the choice will be offered at retirement. Where this is not possible the choice will be offered as soon as practicable after legislative changes are implemented. Any change to benefits will be backdated.