

NPCC McCloud remedy update

April 2025

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Introduction

1. The police pension scheme is a locally administered scheme, meaning that each of the individual 43 Chief Constables is the scheme manager and is therefore responsible for the management and administration of the police pension scheme for their force. There are 12 different police pension scheme administrators providing administration services who use three different software suppliers between them.
2. Each scheme manager must interpret legislation and guidance and make decisions on a case-by-case basis for members, the McCloud remedy is no exception.
3. 31 March 2025 was the end of the 18-month implementation period and the statutory deadline for any members that were eligible for the McCloud remedy to have received their Remediable Service Statement (RSS).

4. Across the 43 police forces in England and Wales there were c. 150,000 active, deferred, pensioner and beneficiary members that needed to receive an RSS.
5. Compared to other public service pension schemes, the NHS¹ being one example, the police pension scheme has performed exceptionally well and based on anecdotal evidence provided to NPCC has achieved approximately 99% of RSS¹ being issued to active members and 85% of RSS¹ being issued to pensioner members by the statutory deadline. However, this will be of little comfort to those members that unfortunately did not receive a statement by the deadline.

Missing the statutory deadline

6. Whilst the statutory deadline was 31 March 2025, scheme managers were able to use their powers under [Section 29\(10\)\(b\)](#) of the Public Service and Judicial Offices Act 2022, to determine if it was reasonable in all the circumstances of a particular member or a particular class of member to extend the statutory deadline beyond 31 March 2025.
7. NPCC published a document about [why an RSS might be delayed](#) which set out the expected circumstances in which a scheme manager could use their powers under Section 29(10)(b).
8. For cases where the relevant date was not extended under Section 29(10)(b), these will be treated as a breach of law and will need to be recorded.
9. Scheme managers will need to carry out an [assessment](#) to determine the material significance of the breach. Considerations will include four different aspects:
 - a. The cause of the breach
 - b. The effect of the breach
 - c. The reaction to the breach
 - d. The wider implications of the breach
10. If the breach is determined to be of material significance, then it will need to be reported to The Pension Regulator.
11. NPCC understands that individual members will be disappointed if they have not received an RSS and whilst they may consider it material breach, this will not be the case in all instances. We would like to reassure members that scheme managers and pension administrators are continuing their work to provide every member with an RSS as soon as possible.

¹ Witten Ministerial Statement about the NHS pension scheme published 31 March 2025 – HCWS566 – <https://questions-statements.parliament.uk/written-statements/detail/2025-03-31/hcws566>

Formal complaints

12. Members are within their rights to raise an Internal Dispute Resolution Procedure (IDRP) which should be addressed and sent to the scheme manager and although members will want to express their dissatisfaction, they should consider what outcome they are looking for as a result of their dispute.
13. It is anticipated that the majority of IDRPs can be resolved by issuing the RSS to the member; members may therefore wish to consider whether they have received adequate communications to inform them about the reasons for their delayed RSS.

Further documentation

14. A number of documents have been published on NPCC website (<https://policepensioninfo.co.uk/>) to assist members with understanding when they might expect to receive their RSS.
 - a. 28 February 2024 – [Remedy timeline](#)
 - b. 20 May 2024 – [Age discrimination project update](#)
 - c. 20 May 2024 – [Update to Immediate Choice RSS](#) (this was amended on 18 June 2024 and on 19 October 2024)
 - d. 27 February 2025 – [Statement of progress](#)
 - e. 27 February 2025 – [Known delays to RSS'](#)

Remedy legislative and technical guidance timeline

15. Key dates in the remedy timeline are: –

Date	Key item
10 March 2011	Lord Hutton's final report about the review of public service pension schemes
25 April 2013	The 2013 Pensions Act was introduced, this restricted the final salary schemes
1 April 2015	The Police Pension Regulations 2015 were introduced, this gave existing members of the police pension scheme transitional protections based on age and service.

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20 December 2018	<u>Judgment of the Court of Appeal</u> which found that the transitional protections awarded to members of public service pension schemes were age discriminatory
15 July 2019	<u>Written Statement HCWS1725</u> issued by the Government accepting the Court's decision and confirmed that remedy would apply across all public sector pension schemes
4 February 2021	<u>Written Statement HCWS757</u> issued by the Government which confirmed that after consultation, they would be implementing a Deferred Choice Underpin enabling members to make their election at retirement
14 May 2021	McCloud remedy membership and financial data collection templates were issued to scheme managers
1 April 2022	<u>The Public Service Pensions and Judicial Offices Act 2022</u> was introduced, this was the first part of remedy and removed the discrimination prospectively by closing the legacy schemes and moving all members into the PPS 2015
19 December 2022	<u>The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022</u> were introduced
6 April 2023	<u>The Public Service Pension Schemes (Rectification of Unlawful Discrimination)(Tax) Regulations 2023</u> were introduced
19 July 2023	<u>Government consultation response – retrospective remedy</u> which outlined the Government's final policy position for the police pension scheme and enabled the Police Pensions (Remediable Service) Regulations to be laid
12 September 2023	Final version of the tool required to calculate the contribution adjustments, including tax relief and interest was issued to scheme managers
14 September 2023	<u>The Public Service Pension Schemes (Rectification of Unlawful Discrimination)(Tax)(No.2) Regulations 2023</u> were introduced and included the Tax Administration Framework (TAF)
1 October 2023	<u>The Police Pensions (Remediable Service) Regulations 2023</u> were introduced

13 May 2024	The Home Office Accounting and Funding guidance for remedy was finalised and issued to scheme managers
26 September 2024	Public service pensions remedy newsletter and Appendix B – offsetting process for the unauthorised payments charge were finally published by HMRC after almost nine months of discussions
17 December 2024	The Government Actuary guidance about how to apply McCloud remedy to non-club transfers out for police pension schemes in England and Wales was finalised and issued to pension administrators
27 February 2025	The Government Actuary guidance about how to apply McCloud remedy to non-club transfers in for police pension schemes in England and Wales was finalised and issued to pension administrators
21 March 2025	The Government Actuary guidance about how to deal with prospective divorce cases for police pension schemes in England and Wales was finalised and issued to pension administrators
24 April 2025	The Public Service Pension Schemes (Rectification of Unlawful Discrimination)(Tax) Regulations 2025 were introduced, which provides the regulations to allow for the offsetting of unauthorised payments

Outstanding items

16. As at the date of publication of this document, there are still some outstanding items which may affect some members receiving their remedy options.

Amendments to HM Treasury Directions

17. In the summer of 2024, HMT advised that they were going to be making some amendments to the Directions. The changes mean that active members can be treated in the same way as non active members with regard to tax relief and they can have their contribution adjustment inclusive of tax relief.
18. These amendments are yet to be laid before Parliament and are likely to be further delayed by the local elections in May 2025.
19. In the absence of the amendments actually being made, HMT have given their permission for the tax relief on any contribution adjustments for active members to be treated the same way as for non active members.

Contingent Decisions – reinstatement of opted out service

20. On [9 August 2024](#), NPCC issued a pause on the Contingent Decisions for the reinstatement of opted out service for a PPS 1987 member who opted out during the remedy period, this was after an issue was raised by the Home Office regarding the meaning of a relevant chapter 1 legacy scheme.
21. A further update was provided on [29 January 2025](#) which confirmed that members who did not rejoin the scheme during the remedy period were now able to have their opted out service reinstated to the PPS 1987.
22. However, the position for members that did rejoin during the remedy period is still being considered by the Home Office. Clarification is needed to fully understand not only what is permissible within the current legislation but also any unintended consequences.

Retrospective divorce guidance

23. The Government Actuary Department (GAD) are in the process of consulting on their draft guidance for retrospective divorce cases. This will affect members where the initial Cash Equivalent Transfer Value (CETV) was issued to the Courts between 1 April 2015 and 30 September 2023.
24. Delays to GAD guidance have been due to a requirement for legal advice to enable GAD to interpret remedy policy as it applies to divorces.
25. It is currently anticipated that this guidance will be finalised by mid summer 2025. Once it has been finalised, pension administrators will then need time to consider how their processes will need to be amended to calculate the required amounts to take account of remedy options.

