

NHS pension scheme consultation

Members may be aware in 2018, the fire fighters' union (FBU), took the government to court regarding changes made to their public sector pension scheme which was implemented in 2015

The court decided that the transitional arrangements used when the new scheme was implemented were discriminatory on the grounds of age as younger members received no protection within their legacy pension scheme (1995 or 2008), prior to moving into the 2015 scheme, when compared to members who were within ten years of retirement who remained in their legacy schemes for a set period of time.

This ruling is known as the McCloud judgement.

The government agreed that despite the ruling being on the fire fighters pension scheme, it was relevant to other public sector pension schemes as they also used transitional arrangements to move members into the new pension scheme.

The CSP, along with other health unions have been in discussions with the government on how to remedy the discrimination in the NHS pension scheme.

The government has now set out a consultation on their intention on how to remedy the discrimination caused by the transitional arrangements.

CSP members on the employment committee met last week to hear how the government intend to take forward the remedy and voted on whether members should make an immediate choice on the benefits they receive for their pension between 1 April 2015 and 30 March 2022, or to make that choice when they retire.

The employment committee voted that the CSP should support the deferred choice, which would be taken when members retire.

Members will need to be aware that the government plans to move all pension scheme members into the 2015 pension scheme on 1 April 2022.

These members should seek independent financial advice as to how the proposed changes will impact upon them.

Following the Employment Committee deciding that deferred choice is the option the CSP should support, the CSP will be responding to the consultation on behalf of all our NHS pension scheme members. Should any member wish to respond to the consultation on a personal basis, they may do so through the links provided below.

Jim Fahie, Assistant Director ERUS said "The deferred option allows for members to see their full career pathway and take into account other factors including interim pay rises, inflation figures and their actual retirement age, which enables members to take as fully an informed decision as possible, rather than one based on forecasts and assumptions"

It is also important to note that members cannot be worse off by making a choice of which benefits to take at the point that they retire.

The consultation documents can be found online:

England, Scotland and Wales:

<https://www.gov.uk/government/consultations/public-service-pension-schemes-consultation-changes-to-the-transitional-arrangements-to-the-2015-schemes>

Northern Ireland:

<https://www.finance-ni.gov.uk/consultations/consultation-proposed-changes-transitional-arrangements-2015-schemes>