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Civil service pensions: News on McCloud Remedy

Annual Benefit Statements show changed pension information

In a legal ruling, known as the McCloud Judgement, the government was found to have unlawfully discriminated, on the basis of age, in the way it introduced pension changes in 2015. New legislation is now in place and the scheme rules have been changed. This process is referred to as the McCloud Remedy.

To comply with the law, the Civil Service Pension Scheme has reverted the pension accounts of around 400,000 active and non-active scheme members to their legacy pension benefits for all service to 31 March 2022. Annual benefit statements now show the adjusted information and in many cases the pension figure will be lower than that shown in the previous statement because of the faster accrual rate in the alpha scheme.

Scheme members remain protected by the deferred choice underpin which means that they will have the choice between either legacy terms or alpha terms for all their service during the Remedy Period (1 April 2015 to 31 March 2022) when they retire.

Pension savings statements

Pension schemes are required to make an annual return to HMRC of amounts paid in to pensions which are higher than the annual allowance for the year. The affected scheme members also receive a pension savings statement. Last year these statements were held back to enable the inclusion of amounts paid into pensions during the Remedy Period.

The statements are headed Your Remedy Pension Savings Statement (for your personal Tax Assessment for the Remedy period and 2022/23). The letter is not a tax demand and in most cases there will be nothing to pay. However there is the possibility of a tax charge so it is important to follow the guidance it contains in order to check with HMRC. Where there is a tax charge the member can apply for Scheme Pays which means the charge is met from their pension account to

reduce the financial impact.

Pension arrears

Civil service pensioners, and those with preserved scheme benefits, will also benefit from the Remedy and during 2025 will receive a Remedy Service Statement setting out their remedy options along with details of any arrears of pension which may be due. Interest will be applied to arrears of pension.

Further information is available on the [civil service pension scheme website](#).

[Read our Frequently Asked Questions about the McCloud Remedy.](#)