

Transitional Protection - Myth busting

This factsheet provides you with information about Transitional Protection.

With changes being introduced to the Teachers' Pension Scheme (and other public service pensions schemes), there's lots of information being circulated and discussed about what those changes mean. And because we live in a world of various methods of communication, the message can spread quite quickly and sometimes can be misinterpreted.

Following feedback, we've answered some key questions to try and help resolve some of those uncertainties and reassure you of what the changes mean. [You may also find our Frequently Asked Questions useful](#), to help with any other queries you may have.

Questions to be answered

Reformed scheme? Legacy scheme? What are they?

These will be referred to in the government documents, these simply mean the career average (reformed) and final salary (legacy) schemes.

The remedy period – what's that?

This is the period of service for which members will be offered the choice as to which scheme their pension benefits will be paid under. This remedy period is service from 1 April 2015 to 31 March 2022.

Is the career average scheme illegal?

No, the career average scheme is not illegal. What was deemed discriminatory was the transitional protection policy that kept those closest to retirement age in the final salary (legacy) schemes, when others were moved automatically to the career average (reformed) schemes. The proposed remedy will ensure that all affected members have access to the scheme that they consider is better for them for the period involved.

Will I lose all my final salary benefits?

No, you'll not lose your final salary benefits. They'll stay with you and make up part of your benefits when you retire.

Will I be worse off?

No – no one will be worse off for the remedy period. That's why those members who are affected by the transitional protections are being given the choice as to whether they want their pension benefits relating to their service in the remedy period paid as if they were in the final salary or career average scheme (service between 1 April 2015 and 31 March 2022). All members will be treated equally from 1 April 2022.

Will I have to work for longer?

Normal Pension Age (NPA) in most of the reformed schemes is linked to the State Pension age, reflecting that most people can expect to live longer and have longer working lives. Nobody, though, is required to work longer if they don't wish to do so. Pensions taken before the relevant NPA will be adjusted fairly to reflect the fact they are likely to be paid for longer.

So, can't I retire now until I'm 67 or 68?

When you retire is your choice, subject to HMRC rules on the minimum pension age (currently age 55). Normal Pension Age (NPA) in most of the reformed schemes is linked to the State Pension age, reflecting that most people can expect to live longer and have longer working lives. Nobody, though, is required to work longer if they don't wish to do so.

Is it correct that if I've moved out of the final salary scheme into career average scheme then the final salary scheme pension is 'frozen' and only gets CPI increases?

Members who transition from the final salary scheme to the career average scheme have what's called **Salary Link**. Salary Link allows for the salaries earned during career average service to be used to determine the **best average salary** for final salary benefits.

Can I choose to split my career average and final salary benefits when I make the choice about my service in the remedy period?

No, you'll choose to receive your benefits from either the final salary (legacy) scheme or from the career average (reformed) scheme, in respect of the remedy period (service between 1 April 2015 and 31 March 2022).

Will I only receive the pension changes if I've submitted a legal claim?

No. The government confirmed that whichever solution is implemented, it will apply across all public sector schemes and for all members with relevant service, regardless of whether they've lodged a claim.

Will I lose my flexibility choices?

All of the pensionable service built up in the career average scheme during the remedy period (1 April 2015 – 31 March 2022), was moved to the final salary scheme when legislation took effect on 1 October 2023. This is referred to as 'roll back'.

A decision needs to be made on any career average flexibilities you purchased during the remedy period as these options are different in each scheme. While there're three flexibilities in the career average scheme (Additional Pension, Faster Accrual and Buy out), there's only the option of Additional Pension in the final salary scheme.

If I choose to keep my pension for the remedy period as final salary, will that include an automatic lump sum?

If your Normal Pension Age in the final salary scheme is 60 and that's the scheme upon which your transitional protections were based – then it comes with an automatic lump sum.