

Changes to the Teachers' Pension Scheme.

Public service pension schemes: changes to the transitional arrangements to the 2015 schemes. Government response to consultation.

February 2021.



The government has issued its response to the consultation on proposals to remove the discrimination caused by the way the reformed career average scheme was introduced in April 2015. This factsheet will help to explain how the government will address the discrimination and what's going to happen for those of you who'll be affected by the changes.

[Click this link to go to the government consultation response.](#)

Are you affected?

It's important to realise that many of you are not affected by any of the changes. The changes only affect those of you who were both in service on or before 31 March 2012 and have continuous service on or after 1 April 2015, including if you have a qualifying break in service of not more than five years.

Why might I not be affected by the changes?

You'll not be affected by the changes if you:

- first joined one of the main public service pension schemes on or after 1 April 2012
- have had a break in service of more than five years
- have no service in the remedy period (1 April 2015 - 31 March 2022)
- retired and took your final salary pension in full prior to 1 April 2015.

More information on breaks in service is provided in our factsheet.

[Download and open the Breaks in Service factsheet](#)

What do I need to do?

For those of you who are affected by the changes, you don't need to do anything. We'll continue to provide updates on progress and timescales via our website. We'll contact you at the appropriate point once we've updated our administration systems and processes and as the necessary legislation is put into place.

What are the key changes the government has confirmed?

It's important to remember that the period of service affected is that between 1 April 2015 and 31 March 2022. This is known as the remedy period.

What choice will I receive?

As, for many members, the career average scheme is more beneficial, you'll be given the opportunity to make a choice at retirement as to whether you wish to take final salary(legacy) scheme benefits or career average (reformed) benefits in respect of your service during the remedy period. It cannot be a

combination of the two. This is referred to as the Deferred Choice Underpin (DCU). We'll provide information to enable you to make an informed choice based on what best suits you.

The government has confirmed that this applies both to those who were transitioned into the career average scheme and those of you who remained in the final salary scheme because you had protection. Those of you who have already retired will still be provided with the options and offered the choice about which scheme benefits you wish the pension you have built up in the remedy period to be based on. Once you've made that choice, we'll apply the changes to your pension and backdate any payments if necessary.

What will the Scheme look like from 1 April 2022?

The government has also confirmed that from 1 April 2022, all those who continue in service will only be eligible to do so as members of their respective reformed pension schemes, i.e. those introduced in 2015, and of which many are already members in relation to service from that date.

What if I am affected and still an active member in the scheme?

For those of you who built up service in the career average (reformed) scheme during the remedy period, this service will instead be placed in the final salary (legacy) scheme at the end of the remedy period. This must happen to address the discrimination and so all affected members can be treated equally, in line with those older members who remained in the final salary scheme.

What if I retired before the introduction of the Deferred Choice Underpin?

If you retired before the Deferred Choice Underpin (DCU) is implemented and have a period of relevant service between 1 April 2015 and 31 March 2022, you'll be offered a choice once the legislative changes have been made to implement the DCU. The choice will be retrospective and backdated to the point that payment of your pension benefits began.

The legislation that allows schemes to do this is limited in effect. It allows schemes to return those of you who are eligible members and retired from the career average (reformed) scheme to the final salary (legacy scheme) in relation to service after 1 April 2015. It does not however allow for all consequential matters to be dealt with satisfactorily in all cases, for example, in cases where there are interactions with the tax system.

In all cases if you receive a revised pension award, this will be backdated to the date your pension award relating to the remedy period was originally made.

When will these changes happen?

For most members affected, you'll receive the DCU at the point your benefits become payable, which for most will be at retirement. We're working now on introducing the system and administrative processes that will allow us to provide you with your remedy period choices when you submit your retirement application.

Will the survivors of eligible members who have died since 1 April 2015 also be asked to make a choice between the different pension schemes?

Where an eligible member has died since 1 April 2015, we'll review these cases as soon as practicable. Where the member retired from the career average (reformed) scheme, we'll seek to revisit these cases ahead of the introduction of the DCU where possible. We'll check whether a higher pension or lump sum amount would be due under the alternative scheme.