

McCloud FAQ's

Key differences between the 1995/2008 section and the 2015 Scheme

	1995 Section	2008 Section	2015 Scheme
Scheme Type	Final Salary	Final Salary	CARE
Build up Rate	1/80th	1/60th	1/54 th
Tax-free cash	Must take at least 3 x pension value	Have to "commute" pension	Have to "commute" pension
Pension Age	60	65	State Pension Age
Service Limit	45 years	45 years	None
Revaluation Rate	None	None	Inflation plus 1.5%

What is the McCloud Judgement and what does it mean for me?

In 2015 the Government introduced a new scheme where existing members had to switch to unless "protected". In the case of the NHS Pension Scheme the new scheme is called the 2015 Scheme.

There was no choice about this matter. You simply switched to the 2015 Scheme if you did not satisfy the protection requirements.

This protection has been found to be age discriminatory and accordingly public service schemes have been ordered to address this discrimination and offer members a choice over which scheme they wish to be in for the duration of the remedy period.

It also means that all members who held 'full protection' in the 1995/2008 scheme will move to the 2015 scheme wef 1.4.22.

What about my benefits in the 1995/2008 scheme? What will happen to those?

All your terms and conditions are fully protected. This means that if you have 1995 Section benefits, for example, you can still retire and draw these at 60 without any reduction for early payment applying.

Similarly, if you have Mental Health Officer or Special Class Status in the 1995 Section you can still retire at 55 if you continue to satisfy the qualifying conditions.

So in effect I am going to have 2 pensions?

In short yes. You will have pension benefits in the 1995 (or 2008 Section) and potentially benefits in the 2015 Scheme (at least in respect of all service from the 1 April 2022).

You will still retain a Normal Pension Age of 60 for 1995 Section pension benefits (or 55 if you have Mental Health Officer or Special Class Status) or 65 if you have 2008 Section benefits.

It's means that for all pension benefits you build up in the 2015 Scheme your pension age will be your State Pension Age.

You can draw both pensions independently or at the same time. It's entirely up to you.

How do I know if I was a fully protected member or not?

Full protection was given to members who were within 10 years or less of their normal retirement age as at the 1 April 2012. (95 section age 50 (45 for special classes/MHO) and age 55 for the 2008 section.

NHS Pensions have recently written to all members who held full protection and will move to the 2015 scheme in April advising of the upcoming changes and what will happen next.

If you believe you should have received a letter but haven't, copies of the letters can be found here

[officer members](#)

[practitioner members](#)

[officer and practitioner members](#)

I didn't have full protection so what does this mean to me?

Any members who were more than 10 years from their normal retirement age as at the 1 April 2012 either transferred to the 2015 scheme on the 1 April 2015 or at some point during the period 1 April 15 to 31 March 22 depending on age.

You will be given the choice to move these benefits back to your original scheme either at retirement or retrospectively if this is before the legislation is passed in October 2023.

Until then comparison figures are not available either from NHS Pensions or your employer

What about if I am retiring or have already retired? Will I still get a choice?

Yes. As long as you were in the NHS Pension Scheme on the 31 March 2012 and the 1 April 2015 (or were in the scheme on the 31 March 2012 and returned within 5 years), you will be offered a choice as soon as possible.

If you are in receipt of a pension your award will retrospectively be amended and backdated to your retirement date should your entitlements change.

This also applies to retirement on ill-health grounds, spouses pensions, children's pensions, survivor lump sum payments, transfer values, pension on divorce cases etc. In short, all awards paid over the duration of the remedy period will need to be re-assessed and a choice offered where the member satisfies the choice eligibility conditions.

I want to opt out of the scheme on the 31 March 2022 as it's not worth me being in the 2015 scheme/I don't want to be in the 2015 scheme

The decision whether to opt out of the scheme is entirely personal however please make sure that you understand the impact this will have if you opt out of the scheme.

By opting out of the scheme certain benefits may be paid at a reduced rate ie death benefits and ill health benefits.

If you remain in employment for more than 5 years you will break the final salary link and your 95 scheme benefits will be calculated on your pay as at the 31.3.22

If you are no longer a member of the scheme and have **MHO** or **Special Class** status you will not be able to retire from the 1995 section of the scheme on a full pension until age 60.

By remaining in the 2015 scheme you will continue to build up pension benefits for when you retire. 2015 benefits are payable in full at state pension age however they can be taken at any time from age 55.

The 2015 Scheme is worse than the 1995/2008 Schemes

The 2015 Scheme is still a very generous scheme and benefits in this scheme grow at a much faster rate than both the 1995 and 2008 sections.

Depending on individual circumstances many members will benefit from moving to the 2015 scheme whilst retaining benefits in the 1995/2008 scheme.

Please follow the link below to the 2015 scheme guide which outlines the benefits you will continue to enjoy by becoming a member of this scheme.

[2015 NHS Pensio Scheme guide for members \(nhsbsa.nhs.uk\)](https://nhsbsa.nhs.uk)

I need to take my pension before the 31 March 2022 or I will lose my 1995/2008 benefits.

Members **will not** lose any pension that have already built up in the 1995/2008 schemes. These can still be claimed after the 1 April 2022 in line with the existing rules for these schemes providing the scheme criteria is met.

Pension benefits for the 1995/2008 schemes will continue to be linked to the members final salary, but no further service will be added to these schemes.

From the 1 April members will build up additional pension benefits in the 2015 scheme.

I want an estimate showing all my pension benefits back in the 1995/2008 scheme now and not when I retire.

The decision to defer giving members comparison figures until retirement was made following the outcome of a member consultation.

As a result there is no facility available to provide members with these figures any sooner.

If I don't take my pension before the 1 April 2022 I will have to wait until state pension age to claim my pension

All pension membership accrued in the 1995/2008 sections of the scheme can be accessed at the same time and in the same way that they can now.

This includes Special Class and MHO members who can retire at 55 provided scheme criteria is met.

The link below to the NHS Pension Agency website is regularly updated with the latest information available

<https://www.nhsbsa.nhs.uk/changes-public-service-pensions>

1. Pension already built up in the 1995/2008 Schemes will not be lost.

Myth: "I need to retire before 1 April 2022 otherwise I'll lose my 1995/2008 pension."

Facts:

- Staff will not lose any pension they have already earned in the 1995/2008 Schemes. This can still be claimed after 1 April 2022 in line with the existing rules for these schemes.
- Pension benefits from the 1995/2008 schemes will continue to be linked to the member's final salary.
- From 1 April 2022, staff will build up pension in the 2015 Scheme. This means that their full pension pot at retirement is likely to be made up of a combination of 1995/2008/2015 Scheme benefits.

Myth: "If I don't retire before 1 April 2022, I'll have to wait until state pension age to claim my pension."

Facts:

- From 1 April 2022, pension benefits from the 1995/2008 Schemes can be accessed at the same time as they can now.
- Staff with Special Class and Mental Health Officer status will still be able to take their 1995 Scheme pension without reduction from age 55, providing they continue to meet the eligibility criteria.

2. All members will be in the 2015 Scheme from 1 April 2022.

Myth: "I've got protection, so I won't have to move to the 2015 Scheme."

Facts:

- The 1995/2008 Schemes will both close on 31 March 2022.
- All active scheme members will therefore be in the 2015 Scheme from 1 April 2022, including those that previously had full or tapered protection.
- Members will be automatically moved to the 2015 Scheme on 1 April 2022 and do not have to do anything to ensure continuous pension scheme membership.

Myth: "The 2015 Scheme is worse than the 1995/2008 Schemes."

Facts:

- The 2015 Scheme and the 1995/2008 Schemes are all very generous.
- Depending on individual circumstances, many members will benefit from moving to the 2015 Scheme.
- Members will not lose any pension already built up in the 1995/2008 Schemes.

3. You do not need to make any decisions now.

Myth: "I'm being moved to the 2015 Scheme, so I need to make a decision now about my pension for the remedy period."

Facts:

- Those **affected** by the McCloud remedy will be asked to make a choice about some of their pension benefits.
- Staff do not need to do anything until they come to retire.
- Those retiring after 1 October 2023 will be asked to make the choice as part of their retirement process.
- Staff planning to retire before 1 October 2023 should make decisions based on the current rules. Once the required legislation is in place, these individuals will be contacted by NHS Pensions and offered their choice of pension benefits retrospectively. Any resulting changes to pension payments will be backdated to the date of retirement.