

# McCloud remedy

Removing age discrimination from the HSC Pension Scheme.



**Information for employers about the McCloud remedy, how it will impact members of the HSC Pension Scheme and how employers can support staff with the changes.**

The McCloud remedy will remove the age discrimination that was judged to have arisen in public service pension schemes, including the HSC Pension Scheme. The discrimination resulted from allowing older members to remain in their legacy (1995 or 2008) scheme rather than being moved to the 2015 Scheme when it was introduced.

The remedy is made up of two parts:

1. To ensure equal treatment going forward, all active members of the HSC Pension Scheme will be in the 2015 Scheme from 1 April 2022.
2. To address the inequality that has already occurred, affected staff will be offered a choice about their pension benefits for the period over which the inequality occurred.

The process for making this choice will be different for members retiring before and after 1 October 2023.

Further detail about each aspect of the remedy is provided below.

## All active members of the HSC Pension Scheme will be in the 2015 Scheme from 1 April 2022

The 1995 and 2008 Sections of the HSC Pension Scheme will both close on 31 March 2022. All staff that are currently contributing to these schemes will be automatically moved to the 2015 Scheme on 1 April 2022. HSC Pensions has written to impacted members to inform them of this change.

Members will keep all pension that they have earned in the 1995/2008 Sections before 1 April 2022, and the calculation of these benefits will still be linked to the member's final salary. These 1995/2008 pension benefits can still be accessed after 1 April 2022, in line with the existing rules for each section of the scheme.

Moving members to the 2015 Scheme means that many individuals will have built up pension in more than one section of the HSC Pension Scheme over their career. At retirement, pension pots are therefore likely to be made up of more than one set of benefits. Each section of the scheme has different rules about how pension benefits from that section are calculated and when they can be claimed.

In advance of members being moved to the 2015 Scheme on 1 April 2022, employers should communicate with affected staff and offer reassurances where needed that pension already built up will not be lost.

The key messages for staff are set out in our dedicated [McCloud Remedy Page](#) on the scheme website, along with facts that can be used to address the common myths associated with each message. We would encourage employers to share this information with relevant colleagues to ensure that messages given to staff are consistent and correct.

Employers can signpost staff to further information about moving to the 2015 Scheme on the dedicated [McCloud Remedy Page](#).

## Affected staff will be offered a choice about their pension benefits for the remedy period

Staff that will have retired before 1 October 2023 will make a retrospective choice.

To address the discrimination that has already occurred, affected members will be asked to make a choice about whether they would like to receive 1995/2008 Section benefits or 2015 Scheme benefits for the period between 1 April 2015 to 31 March 2022. This is the period over which members were treated differently according to their age, and is often known as the remedy period.

Affected staff that have already retired, or who are planning to retire shortly, should do so according to the existing rules and their pension will start to be paid based on their current membership situation. This is because the legislation that is needed to be able to offer members their choice before they retire is not expected to be in place until 1 October 2023.

Once the relevant legislation is in place, HSC Pensions will contact these members directly and offer them a retrospective choice, along with personalised information to help them make this choice.

If a member chooses to keep their existing benefits, no changes will be needed. If a member chooses to receive different pension benefits for the remedy period, adjustments will be made to their pension payments accordingly. Any changes will be backdated to the date of retirement. A retrospective choice will also be offered to members that have taken ill health retirement and to the families of members that have died during the remedy period.

Employers can signpost staff that wish to retire before 1 October 2023 to the dedicated [McCloud Remedy Page](#) for further information.

## Affected staff that will retire after 1 October 2023 will make their choice at retirement.

Staff retiring after 1 October 2023 will be offered the same choice of receiving either 1995/2008 Section or 2015 Scheme benefits for the remedy period. However, by this date the legislation is expected to be in place for members to be offered their choice as part of the normal retirement process, before any pension payments have been made. HSC Pensions will provide personalised information setting out the two options to help members make the best decision for their individual circumstances.

Employers can signpost staff that will retire after 1 October 2023 to the dedicated [McCloud Remedy Page](#) for further information.