

Update No 6

The McCloud remedy - a progress update for Immediate Choice Police and Fire Scheme members

This is update number 6, which reflects progress through to the end of October 2024.

XPS have previously published progress updates in relation to the ongoing work we are completing on behalf of our Police and Fire clients to implement pension remedy for Immediate Choice members, and an update into the progress being made in relation to “business as usual” for members who are considering near term retirement.

Immediate Choice Update

The tax issue that has been mentioned in previous updates is yet to be formally resolved and XPS are continuing to progress the delivery of RSS statements to those members who are not affected by this tax issue. Please refer to our previous update number 3 which can be found here [XPS McCloud updates](#) for further information in relation to those affected.

Whilst HMRC have now issued some guidance, this does not take account of the fact Police and Fire schemes do not have a single scheme administrator. XPS have allocated senior technical resources to support the NPCC and LGA in providing a national resolution. This involves the interpretation of guidance and development of calculation routines for administrators to begin issuing statements for affected members.

Significant progress has been made to deliver statements to members unaffected by the tax issues. We have now issued **9,902** statements have been issued to members in scope of remedy, which equates to over 40% of the Immediate Choice cohort.

9,077 statements have been issued to members with a protected status and **825** statements provided to those within other cohorts that are most likely to elect for a change in benefits.

Further progress on the issuing of statements is dependent on both the resolution of the tax issue and the availability of member data. XPS continue to work collaboratively with Police and Fire clients to try and complete the critical collection of member data and progress has been made with almost 90% of member data now being provided.

XPS will continue to issue statements to members where they have all the information required to do so and provide regular updates to members on progress. Priority will be given where possible to those members most likely to elect for a change in benefits, although it is important to note that most members are already in receipt of the highest available benefits.

A reminder of our approach

In previous updates XPS have highlighted a commitment to use technology to provide members with a more efficient service. The use of automated solutions has seen the number of calculations being undertaken increase and will lead to a significant uplift in the number of statements issued in the coming months.

We have put technological innovation at the forefront of delivering this project and highlighted in our previous update that we were working on the development of a digital platform allowing members to complete their options for the Immediate Choice project. Further details are contained below.

Member Hub online portal

We are pleased to announce that XPS have developed and gone live with an online portal known as the Member Hub, allowing members to view their RSS and to make the necessary elections via a digital platform. We think this demonstrates how XPS have put technological innovation, and focused member support at the forefront of this project, as we seek to provide an enhanced member experience.

Once their RSS has been processed members will receive a letter from XPS advising that their statement is ready for review. This letter will include details on how they will log on, and a telephone number for the Hub Team who can assist with any logging on issues. Once members are online, they can view their statement and options and use this forum to respond to XPS with their choice. The relevant Q&As are on the site, along with any links to other relevant sites to assist in making their choice.

These developments will further enhance the member experience and will facilitate a more efficient process.

What happens once I receive a remediation statement? (RSS)?

As a reminder, it is important to note that pension remedy means we need to revisit the benefits available to members for the remedy period 1 April 2015 - 31 March 2022 and issue an RSS, it does not mean that all members will be due an uplift in their benefits as a result of that review, as many members will already be in receipt of the most beneficial option available to them.

This can even apply to ill health retirees awaiting remedy, so please wait until you receive your RSS before making any assumptions as to what you may be due.

Once your remedy calculations have been completed and you have received your remediation statement, if you are due an uplift, you will be required to make an election/decision, via the Member Hub, so that we can make the necessary arrangements.

The legislative requirement is to issue a remediation statement (RSS) by 31 March 2025, but that does not mean that all benefits will necessarily be settled by this date. Members have 12 months from receipt of their statement to decide on their benefits. XPS will then process member options and settle benefits once a decision is received. Some members may be subject to medical reassessments (some ill health cohorts), and that process will need to be completed to allow XPS to proceed.

Wherever possible, XPS are committed to ensuring timely settlement, but we just want to be clear as to the legislation focus, the reliance on member decision making and/or processes, to allow us to proceed.

Once members make their election, we will look to settle any benefits due in the next available payroll run, this includes both additional lump sum and arrears of pension where applicable.

Annual Benefit Statements Remediable Service Statements (ABS RSS) for active members

For those members affected by pension remedy Scheme Managers are required to supply an Annual Benefits Statement (ABS) which contains additional information in the form of a Remediable Service Statement (RSS). This will show comparative benefits to members under both their legacy final salary scheme and the reformed 2015 scheme. The legislative deadline to provide an RSS statement to active members is 31 March 2025.

To be as helpful as possible to members, we worked alongside stakeholders to include Remedial Service Statements (RSS) with the ABS by 31 August 2024 for those in scope of remedy, although the deadline for providing the RSS is 31 March 2025.

The intention was to try to provide as many members as possible with an ABS-RSS, at the earliest opportunity. Those members not in scope of remedy would continue to receive a standard ABS.

It is important to note that ABS-RSS's are for information only, they are not retirement planning documents and do not require a choice of benefits to be made at this stage (save for the contributions adjustments). The National Police Chiefs Council (NPCC) have published some guidance relating to the design and purpose of the statement in their RSS factsheet, pages 12 to 18 - **NPCC-Member-Remedy-Factsheet-Remediable-Service-Statements**.

XPS started processing and loading statements to their online member portal in the week commencing 26th August 2024 for affected members. To date we have been able to publish over 75% of ABS RSS statements.

A reminder of where to locate your ABS RSS if one is available to view. In previous years members would have located their Annual Benefit Statements on Member Self Service under their 2015 record under 'Benefit Statements'. This year, if an ABS RSS has been produced it will be found in a different section of MSS.

- When a member first logs into MSS the default record is their 2015 scheme.
- Navigate to the PPS scheme by clicking on the blue SELECT button under the Your Employments tab.
- Click into My Documents under the Documents tab.
- This will then display the option to select the ABS RSS document to view. If the member was a former 2006 scheme member there will also be the Contribution Adjustment form visible here as well.
- 1987 and 1992 scheme members can find a Contribution Adjustment form on the XPS website under the Scheme Guides & Forms sections for those schemes should they wish to use it.

If you are not currently registered for member self-service, please visit <https://www.myownpension.org.uk/home/registration/sign-up.html> and follow the sign-up process, so that you can access your ABS RSS as and when it becomes available to view. Please register using your work email address, where possible so this can be reconciled with data provided by your Scheme Manager.

Please note that all active members are now in the 2015 schemes and the **normal pension age of this scheme is age 60**. This is the earliest date that you can retire and receive payment of all of your benefits with no reductions. You are still able to receive the payment of your legacy scheme benefits when you originally expected to do so, but this is dependent on age and/or service and is a personal choice.

Due to the variable nature of retirement dates, it is not possible to adequately choose an optimum date that would be appropriate for all members for purposes of a projection within the ABS, therefore the normal pension age for the current scheme is used.

We understand that members are eager to view their statements, but we should be clear that you do not need to make any decision about your choice of remedy benefits when you receive your ABS-RSS. You will only need to make this choice, when you retire and all of your details are known. **Your ABS-RSS is an illustration only and is not meant for financial retirement planning.**

If you are considering retiring within the next 12 months XPS can provide an estimate of your benefits, but we will not project beyond this date outside of your Annual Benefit Statement.

Further to our earlier update XPS are working to resolve the issues preventing the publication of statements for members and are performing weekly ABS runs to increase the volume of statements issued to members. We are notifying members when their statements are online and available to view.

Pension Savings Statements and Remediable Pension Savings Statements progress update

It is important to note that the process required to produce the PSS has been made significantly more complicated this year due to the additional work imposed by the McCloud remedy project. This has required the provision and review of a lot of additional data, the development of the administration system to store and process this new data, and the running of new calculations to provide the McCloud remedied pensions.

Below is an overview of the process and steps required to produce and issue a PSS and RPSS.

The steps to provide the statements are:

- Provision and review of year end data.
- Provision and review of the additional data needed for the McCloud remedy project.
- For in-scope McCloud remedy members, “rolling back” their records so that they are returned into their legacy scheme.
- Running of the Annual Benefit Statements (ABS).
- Running of the Remedial Service Statement (RSS). These are the statements detailing the impact of the McCloud remedy and the “rolling back” into the legacy scheme. This step is only completed once the data has been fully cleansed.
- Determine who the likely in-scope members are.
- Run the additional calculations needed to obtain the information for the PSS.
- Check results of above calculation to determine members who need to be provided with a PSS.
- Produce the PSS.
- Produce the additional Remedial PSS (R-PSS) for the remedy period. These need to be provided to members who received a PSS in the period 2015 to 2023.

We have been working through the process outlined above which involves reviewing 81,000 members to assess whether they have breached the annual allowance for the period.

We had reviewed all members (43,600) unaffected by the McCloud Remedy by 6 October and issued statements where needed.

For McCloud affected members we issued PSS and R-PSS to the protected members by 11 October. We have been continuing to work through the McCloud affected members and have been issuing statements where applicable throughout October.

Due to the large number of communications in relation to McCloud and confusion these may have caused, we introduced two additional communications for those that may be eligible (typically members at higher ranks):

- Where we have completed the review of member records and they are not due a PSS, we wrote to tell them they had not breached and so would not be receiving a PSS.
- We also wrote to all other eligible members to notify them that we are working on their PSS and would contact them again as soon as we had completed the investigation.

These communications were introduced to minimise the number of queries from members who were unsure of their current position.

We have completed the PSS and R-PSS work for two thirds of eligible members where we have been able to roll back their benefits into their legacy scheme. We will continue to provide updates until we have fully completed this exercise. For those members that haven't yet received their statements we are looking to issue these at the earliest opportunity.

We have also published some FAQ's and guidance notes on our portal which can be found here [My Own Pension - Police Member - News](#) and here [My Own Pension - Firefighter Member - News](#)

I am considering retirement, so can you confirm what the current position is on “business as usual”?

We have continued to make improvements in the service we are providing day to day, the wider “backlog” of work has continued to reduce and from a service level perspective, we have seen a continued improvement in the reporting metrics that we regularly provide to clients. It is accepted that we remain in a position whereby member escalations are occasionally still necessary and that not every member has yet to see the benefits of the improvements made, that we can see at a higher level, but we are increasingly confident that members will begin to see improvements as we move forwards.

I’m a vulnerable member and / or wish to escalate an issue for immediate attention, how do I go about that??

Dependent upon the nature of your circumstance, you should either contact your employer for guidance or you should escalate your by sending an email to BLEscalation@xpsplc.com

Where can I obtain more information?

How this judgement impacts the benefits you are entitled to will vary based on your personal situation, and more information about this process and how it might affect you on XPS’s [My Own Pension portal](#) or on the dedicated [Police Pensions website](#) and [Age Discrimination Remedy | Firefighters' Pension Scheme](#). If you have any further questions, please contact our team at mptbluelight@xpsplc.com.

Future Communications & Updates

Finally, we understand that members will continue to have a keen interest in the progress XPS are making across the Immediate Choice McCloud remedy project, as well as the production of the Annual Benefit Statements/Pension Savings Statements and accompanying RSS, and indeed the expected continued improvements in the business-as-usual service being provided to members, particularly those looking to retire in the near term.

We will continue to provide additional updates as the various streams of activity progresses, appreciating there is a keen interest in the timing of Remediable Service Statements being issued.