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

May 2024

On the 20th February 2024 we shared a statement online that provided an update on the progress we've made towards calculating remediation benefits, and the issuing of RSS statements to members who retired prior to October 2023. We also made a commitment to provide a separate update on the processing and settlement of benefits for members / officers who have retired since October 2023. This statement provides this update.

Overview

Following a Court of Appeal decision in 2018 (the so-called "McCloud judgment") which ruled that changes that the Government had made to public pension schemes in 2015 were unlawfully discriminatory on the grounds of age, there has been a process underway to define changes to the law that will allow the managers of police and fire pension schemes (and other public sector pension schemes) to reassess the pension benefits that built up during the remedy period of 1 April 2015 to 31 March 2022 that eligible members are due. Final legislation was laid in July 2023 and took effect from 1 October 2023.

For context to this update The Scheme Manager of the police pension scheme is the Chief Constable of the force that the pension scheme relates to, and for Fire and Rescue Services it is the FRA (Fire and Rescue Authority).

XPS Pensions Group and our role

XPS Pensions Group is an independent pension consulting and administration business. We have been appointed by Scheme Managers to provide pension administration services to 32 police forces and the National Crime Agency. This represents around 55% of the members of police pension schemes, with the remainder handled by other pensions consulting businesses or forces themselves.

As the administrator, we are responsible for ensuring that the correct benefits are paid to members at the right time across the schemes we have been appointed by, and for providing information about the benefits that members can expect as they approach retirement.

There are two separate groups of scheme members with benefits that need remediation work following the McCloud judgement. The first is police officers who retired between April 2015 and October 2023 and who may currently be receiving legacy benefits that are not compliant with the McCloud judgement. Work is now underway to identify the benefits that members are eligible to receive and to issue them with 'Remedial Service Statements' (RSSs).

We are also required to ensure that benefits for members at, or approaching, retirement are compliant with the legislation that has been passed to rectify the age discrimination that the Court of Appeal identified.

This process requires working alongside partners and the collecting and processing of large amounts of data about individuals' employment history, health status, financial and tax information, to enable the calculation of benefits members are entitled to.

Progress update in ensuring swift payment of benefits to members at or approaching retirement.

We understand that members of police/fire pension schemes impacted by the McCloud judgment want clarity as quickly as possible about how their benefits have been, or will be, affected.

Since October 2023, 1,446 members have taken retirement and 83% of retiring members received settlement of benefits within two weeks of their retirement date. We appreciate that this means that 17% of retiring members have received settlement of benefits later than two weeks after their retirement. This can be driven by many factors, including late notification and / or the need to obtain or verify the data XPS need to be able to process calculations.

However, where XPS are responsible in some way for that delay, we are working very hard to ensure that we address areas of potential improvement. Even a single example of poor experience for members / officers does not meet the high standards we hold ourselves to, and we understand that this had led to some members becoming concerned or frustrated about the delayed payment of their benefits.

On occasion, these challenges have also had a knock-on effect on our ability to provide members with quotations of their benefits in a timely fashion as they approach retirement. The process is complex and technical, and unfortunately, wider stakeholders and administrators have faced a number of significant challenges which have meant that we have been unable to meet our desired service levels.

These challenges include the complexity of calculations produced since October 2023, leading to increased processing times and the reliance on the submission of significant amounts of data from Scheme Managers, which involves several different parties and is not always straightforward, or in our control. Additionally, we have found that workload requirements and the volume of contact from members have to date exceeded our initial projections.

Alongside our partners, we are committed to making improvements for members. We have been working hard with Scheme Managers and central stakeholders including the National Police Chiefs Council (NPCC) and the Local Government Association (LGA) to address issues and concerns raised by members, and we will continue to do so to ensure we're providing the best levels of service for members.

Prior to October 2023 and beyond that date we have been allocating additional resource and implementing measures to ensure we make the necessary improvements as we know how important it is for members to be able to make important decisions about their retirement.

We have put in place the multiple interventions to improve the member experience, including:

- **Further investment in technology** – developing our own automated calculation tools to support more efficient processing.
- **Significant additional resource** – we have recruited additional staff including technical resources alongside staff communicating directly with members, to ensure we provide the best member experience.
- **Further collaborative working** – increasing engagement with Scheme Managers and central stakeholders to monitor and address emerging issues, and the creation of a new

Public Sector only Client Management team, and increasing Employer liaison resources, to consistently improve reporting and responsiveness.

We have already seen a significant improvement in performance and with these interventions we expect to see further progress on service levels. We are pleased to update that during May 2024 (to date), 100% of members have received settlement within 2 weeks of their retirement date.

We acknowledge and understand the concern of members who have had a poor experience over the past few months, and we want to assure you that we are committed to ensuring members receive the correct benefits in a timely manner going forward, and that we are working hard with wider stakeholders to ensure that this is delivered. We are confident that the steps we have put in place will result in continued improvement over the coming months.

If members / officers have queries they wish to raise about their retirement, then they should follow the following communication route:

Email Address: penmail@xpsgroup.com

Using this method of communication should enable you to register your issue, and to receive support.

If you are worried or concerned about a forthcoming retirement event, and feel you need to escalate the matter then please contact David Watkins (Managing Director) at David.Watkins@XPSGroup.com and we will do our utmost to ensure that you receive a prompt response.

More information on the McCloud judgment can be found [here](#). How this judgment impacts the benefits you are entitled to will vary based on your personal situation. You can also find more information about this process and how it might affect you on XPS's My Own Pension portal or on the Police Pensions website and Firefighters Pension Scheme website.

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If you have any further questions, please contact our team at penmail@xpsgroup.com.