

Firefighters Pension Scheme



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Remediable Service Statement (RSS) Retired Member Guide

Remediable Service Statement (RSS) Guide

Background

On 1 April 2015, the UK Government made changes to public service pension schemes. These changes did not apply to those members closest to retirement.

The Court of Appeal eventually determined that this was discriminatory towards younger members. This decision is also known as the McCloud judgment. More information can be found at <https://pensions.gov.scot/2015-remedy>.

To make things right, you can choose between final salary (Legacy scheme) and reformed CARE (Career Average Revalued Earnings scheme) benefits for the remedy period of 1 April 2015 to 31 March 2022.

Who will be eligible for these changes

You will be eligible for the 2015 Remedy if you joined a public service pension scheme on or before 31 March 2012:

- **and were still a member of the scheme on or after 1 April 2015, or;**
- **left the service after 31 March 2012 but returned within 5 years.**

You will not be eligible if you:

- **joined a public service pension scheme after 31 March 2012.**

All eligible scheme members will need to make a decision about their pension benefits.

What is a remediable Service Statement

You have a choice to make about your pension.

To help you make that choice, you'll receive a choice letter called a Remediable Service Statement or RSS for short. The purpose of the RSS is to help you decide which benefits you want to take for the remedy period.

What does my RSS show

The RSS will show your pension benefits in both the final salary (1992 scheme or 2006 Standard or Modified schemes) and CARE scheme (2015 scheme) to help you make a choice.

- **If you are retired** the RSS will show how the choice you make will impact on your current pension.
- **If you are making a decision on behalf of a pensioner who has died**, you will receive a choice letter to explain how the remedy could impact any spouse's pension and, if relevant, child pension and lump sum. You will receive a letter and be asked to make a choice on behalf of the person you are representing. If you are making a decision, you are called an eligible decision maker – this is a legal term and will be on your RSS.

There are many types of RSS for different members, and which if these you receive will depend on your personal circumstances. For example, the sample tables contained in this guide relate to a Protected member of a legacy scheme, so the RSS sent to members of the CARE scheme or those who received Tapered protection, will differ. The RSS must include specific information by law. RSS are quite long and contain a lot of important information.

We've tried to make it as easy as possible to understand this information by laying it out in sections.

Your RSS will be sent to you by post and will include an introductory letter followed by detailed information about your pension options and how you can inform us of your choice.

What are 'Alternative Benefits'

'Alternative benefits' refers to the benefits you may receive in a scheme other than what you are receiving at the moment. You can decide to take alternative benefits for the remedy period. This will mean different things to the different categories of members.

Unprotected Members – Alternative benefits will be legacy scheme benefits (i.e. 1992 scheme or 2006 schemes).

Fully Protected Members – Alternative benefits will be reformed CARE scheme benefits (i.e. 2015 scheme).

Tapered Protection Members – Tapered protection members will get slightly different choices. Tapered members cannot choose to take their current benefits as the remedy doesn't allow a mixture of legacy and reformed benefits to be paid during the remedy period. Therefore, tapered members will have two alternative options to choose from. Alternative legacy scheme benefits or alternative reformed scheme benefits.

What to do next

Read the RSS carefully to understand the effect of your choice on your pension. Make a choice from Option A or Option B using the information contained in the RSS. If you need further advice before making a decision, you may wish to discuss this with a financial advisor. It's important that you let us know your decision within 12 months of the date of the RSS by returning your choice form.

If we do not receive your decision by the date specified, the scheme manager may make an election on your behalf based on what appears to be the most beneficial option for you under the known circumstances. If your decision is not processed until after the following April, pensions increase will be applied to your pension. You can find out more about the annual pension increase at <https://pensions.gov.scot/firefighters/im-retired/annual-pension-increase>

If you have any questions about your remedy options, you can find out more at <https://pensions.gov.scot/2015-remedy>.

Navigating your choice letter

Some sections of the RSS show pension and contribution figures, while others provide explanations. Make sure to read the entire document. Key sections are shown in the following graphics with explanations. The graphics show example figures.

Summary

The summary section details your pension benefits for the remedy period in the legacy (or final salary) scheme at Option A, and benefits in the reformed (CARE) scheme at Option B. Pensions are increased annually with pensions increase (PI) from the age of 55. The lump sum is the value at your retirement as PI does not apply. You must choose the option that is best for you.

Your options explained

- **Pension:** This is the annual value of your pension in each scheme, including pension benefits earned outside of the remedy period and which remain unchanged.
- **Lump sum:** This is the total lump sum value in each scheme. If you took a lump sum when you retired, you will already have received most or all of this.
- **Survivors pension:** This shows the amount that would be paid under each option.
- **Arrears:** The arrears of pension and / or lump sum that would be due to you or from you to the scheme are detailed here for each option.
- **Contributions:** Due to the differences in the employee contribution rates of the various pension schemes, your choice of alternative benefits may result in you either owing or being owed the difference between the current and alternative contribution rates. This section shows the impact on any contributions you have paid for each option.
- **Outcome:** This shows what overall amounts are due to you and the difference in pension depending on which option you choose.

Example of summary page

	Option A		Or	Option B	
Pension	No change to your current benefits			Choose CARE for the remedy period	
	Final Salary	CARE		Final Salary	CARE
Pension	£19,274.01	£0.00		£16,398.97	£2,204.43
Lump sum*	£100,717.93	N/A		£85,695.32	£7,053.09
Survivor's pension	£10,277.29	£0.00		£10,932.18	£1,090.69
			Option Summary		
Arrears (including interest)	N/A			You would owe the scheme £3,985.65 pension You would owe the scheme £9,025.13 lump sum	
Contributions**	N/A			£2,568.68 payable to you	
Outcome	Your annual pension will stay the same			You would owe the scheme £10,442.10 Your annual pension would reduce by £670.62 per annum	
<p>* Using the same level of commutation you took at your original retirement. ** Lump sum choice (commutation) and contributions details are included on the next two pages. We have based your CARE lump sum on the level of commutation you took for your Legacy lump sum.</p>					

Contributions

The contribution section provides details about employee contribution adjustments that will apply if you choose alternative benefits.

The contribution adjustment considers the adjustment in relation to the applicable amount of tax relief due on the contributions.

Where amounts are due to you the arrears will have interest applied at a rate of 8% as simple interest for up to 28 days after the RSS has been issued.

From the 29th day after the RSS has been issued - interest is applied at the National Savings & Investments (NS&I) Direct Saver rate, applied as compound interest.

<https://www.nsandi.com/historical-interest-rates>

Where you owe an amount, this will have interest based on the NS&I Direct Saver rates added to them.

You can find more information on the [contributions page](#) of the Remedy Hub.

Example of contributions page

	Option A	Option B
	Legacy for the period	CARE for the period
Contribution Balance	No change	£2,208.93
Less Tax adjustments*	No change	- £395.65
Plus Interest as at date 31/12/2025**	No change	+ £755.40
Final Balance	No change	= £2,568.68 payable to you

Arrears and overpayments

The arrears and overpayments section explains if you are due back any payments of pension or lump sums for each scheme. It also covers any alternative benefits that might lead to an overpayment. Any interest due will be included here as well.

Any arrears due will be paid with your next available pay once your RSS choice is received.

If you opt for a choice that results in an overpayment, we will rectify your pension at the point your RSS choice is returned. The SPPA finance team will be in touch in due course to arrange payment of the overpayment.

Example of Arrears and overpayments page

The table below shows the difference between your current benefits in payment and the benefits that will be paid following your remedy choice (with your original lump sum choice if applicable), including any arrears payable or overpayments made to you. Arrears payable, or overpayments made to you, will be calculated from your original retirement date and interest will be applied (see explanation of how interest is applied below this table). Any negative balances are netted off against positive balances so the total balance displays what is due to be paid to you or is owed by you to the scheme.

	Option A Includes Legacy for the remedy period	Option B Includes CARE for the remedy period
Arrears or overpayment payable	No change	-£3,731.98
		+ -£253.67
Interest on pension arrears	No change	-£7,969.52
		+ -£1,055.61
Lump sum difference	No change	= £13,010.78 payable to the scheme
Interest on lump sum difference	No change	
Arrears balance	No change	

Lifetime allowance

Choosing alternative benefits may result in a change in your tax position. If you are affected by this, you will receive information of any tax charges related to your alternative benefits. You can find out more about lifetime allowance at <https://pensions.gov.scot/pensions-taxation/lifetime-allowance>

Example of Lifetime Allowance page

	Option A	Option B
Percentage of LTA used up by your pension benefits	Includes Legacy for the remedy period	Includes CARE for the remedy period
	38.93%	33.11%

Commutation

When you first took your pension you may have chosen to exchange some pension for a lump sum. This is known as commutation – where you commute (exchange) some of your pension for a higher lump sum.

If you decide to take alternative benefits, you could revisit your commutation choice. There may be an option on your RSS to request further information regarding your commutation choice. If you do request further information, please be aware it could take up to six months for this to be processed.

What decisions do I need to make when I receive my RSS

You need to decide which set of benefits you wish to have paid to you for the remedy period.

We know this is an important decision. You may wish to seek independent financial advice to help you make your choice.

The SPPA will provide you with all the information you need to decide, but we don't give financial advice.

Once you have made your decision you won't be able to change your mind.

How to make a choice

Included with your RSS is a 2015 Remedy Choice Form

- You should complete the personal details then indicate your choice (Option A or Option B).
- If applicable, it will also ask you for any commutation options if you take alternative benefits.
 - You will have to choose if you wish to commute part of your final salary pension with or without a tax charge. This would only be applicable to the 1992 Firefighters scheme.
 - You will be asked if you wish to commute part of your CARE pension. This would only be applicable if CARE benefits were in payment when you originally retired.
- You must sign, date and send this form to the address indicated
- When the SPPA receives your decision, we will send you a confirmation letter as soon as your decision has been processed.
- Your new pension (if appropriate) will be paid on the next available payment date. Depending on when your pension is processed, this may not be the next payment you are due to receive. As we are processing large volumes, there may be unavoidable delays but we will try to keep this to a minimum.

Support

There are lots of ways in which you can access more help and support.

The SPPA has an online where you can find more information and the latest guidance to help you with your choice:

<https://pensions.gov.scot/2015-remedy>

You can sign up for our member newsletter and view recordings from webinars: <https://pensions.gov.scot/member-newsletters>

Keep checking the Remedy Hub for the latest information.

If you have difficulty understanding any of the terminology used in your choice letter, you can refer to our glossary of terms at
<https://pensions.gov.scot/glossary>