

McCloud judgement and GP pensions session: What GPs should do now

Cheshire LMC

Wednesday 4 December 2024, 13.00-14.00

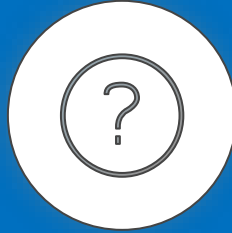
Helen Northall, PCC Chair
Simon Appleyard and James Gunnery, Wesleyan



Before we begin.....



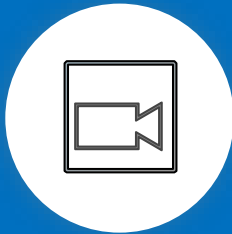
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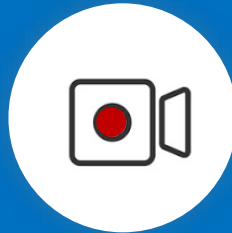
Questions? Use chat function or raise your hand



Please mute unless speaking



Please keep your cameras on if possible



This session is being recorded



A copy of the presentation will be circulated

Understanding the NHS Pension Scheme & McCloud



WESLEYAN
we are all about you



HOW CAN THE WESLEYAN GROUP SUPPORT YOU

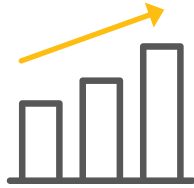
MUTUAL



AWARD
WINNING



FINANCIALLY
STRONG



FINANCIAL
ADVISORS



OVER

180
YEARS

SPECIALISTS





Membership types and pension sections



Increasing your NHS pension benefits



Alternative ways of saving for retirement



Annual and Lifetime Allowance including Scheme Pays



Key Scheme benefits



Partial retirement options

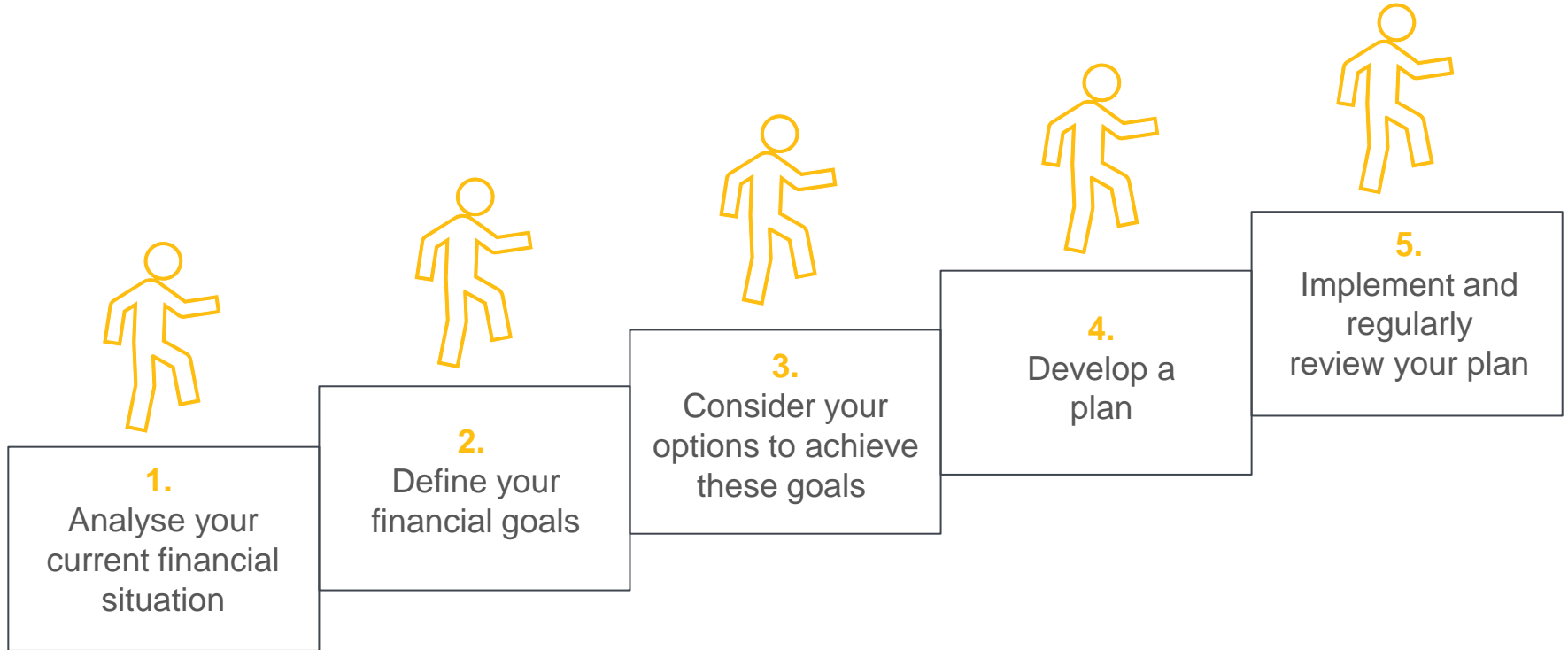


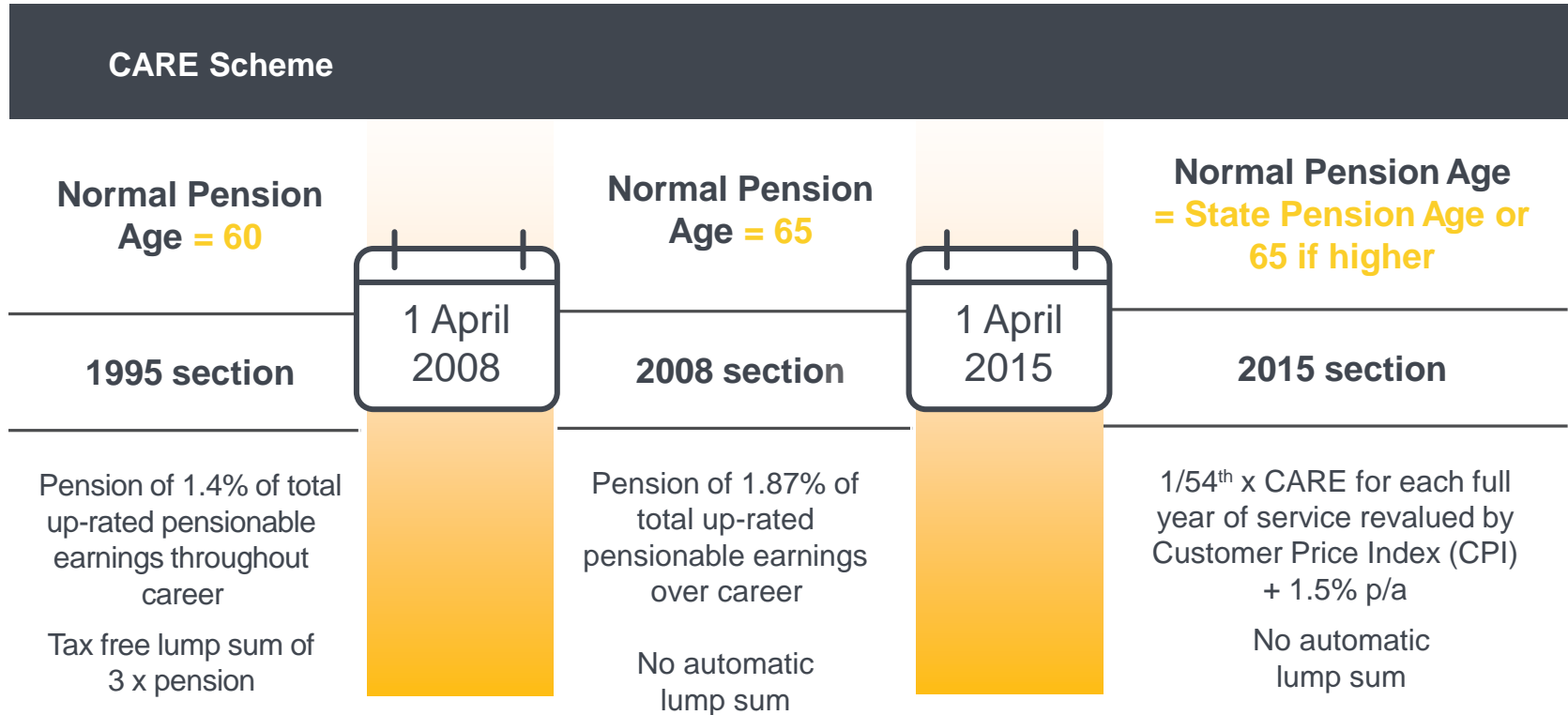
McCloud Judgement - Pension age discrimination

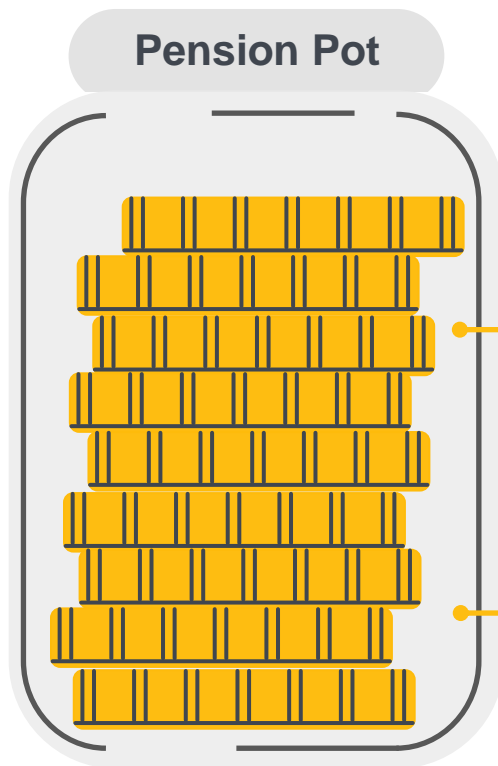


Your actions and next steps

Five steps to financial fitness







2015 section is part of the
CARE Scheme



Indexation percentage

Each year you build up
a **set percentage** of that
year's pensionable pay

In the 2015 section



Additional Pension

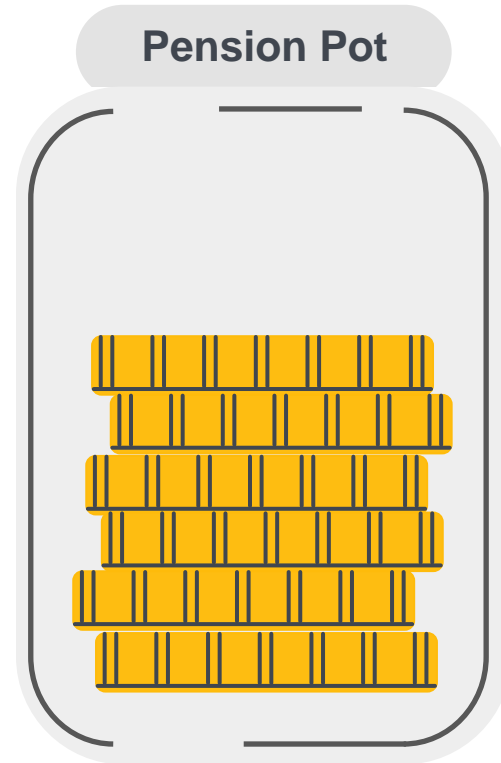


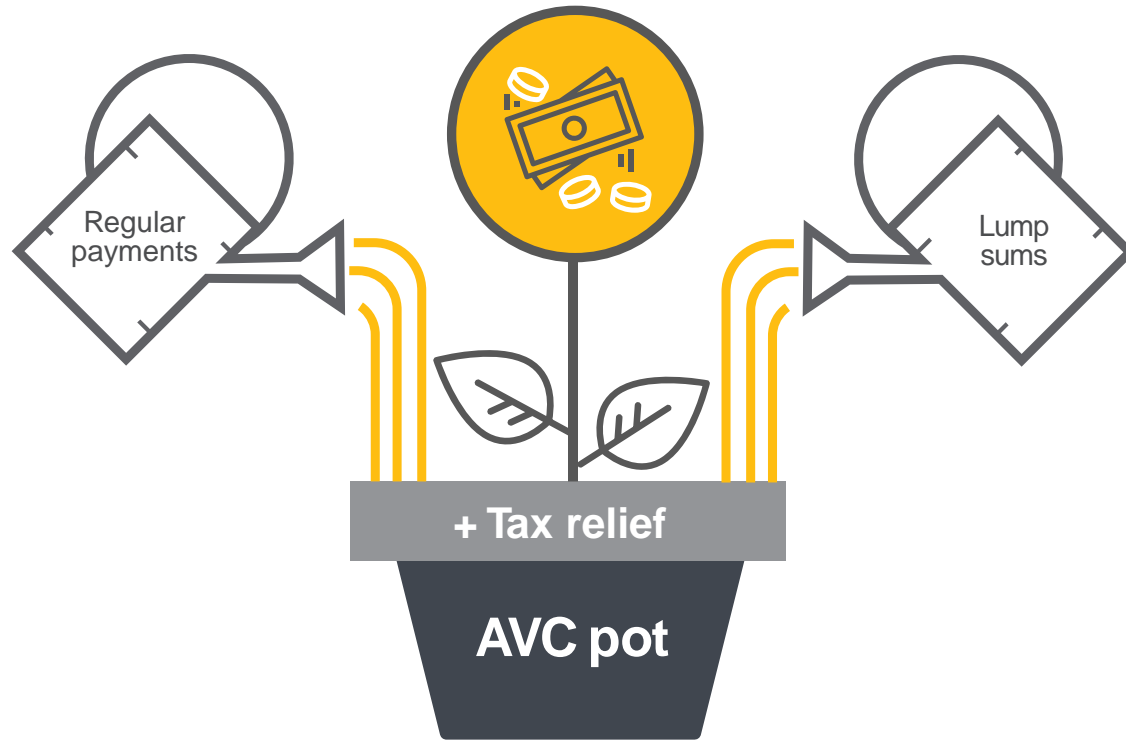
Additional
Voluntary Contributions
(AVCs)



Early retirement
reduction buy out

Purchase Additional Pension
up to **£8,000** in multiples of
£250 in the 2015 section, or for
the full **£8,036.20 (2024/25)**.
Anything over **£6,500** must be
requested via NHS Pensions





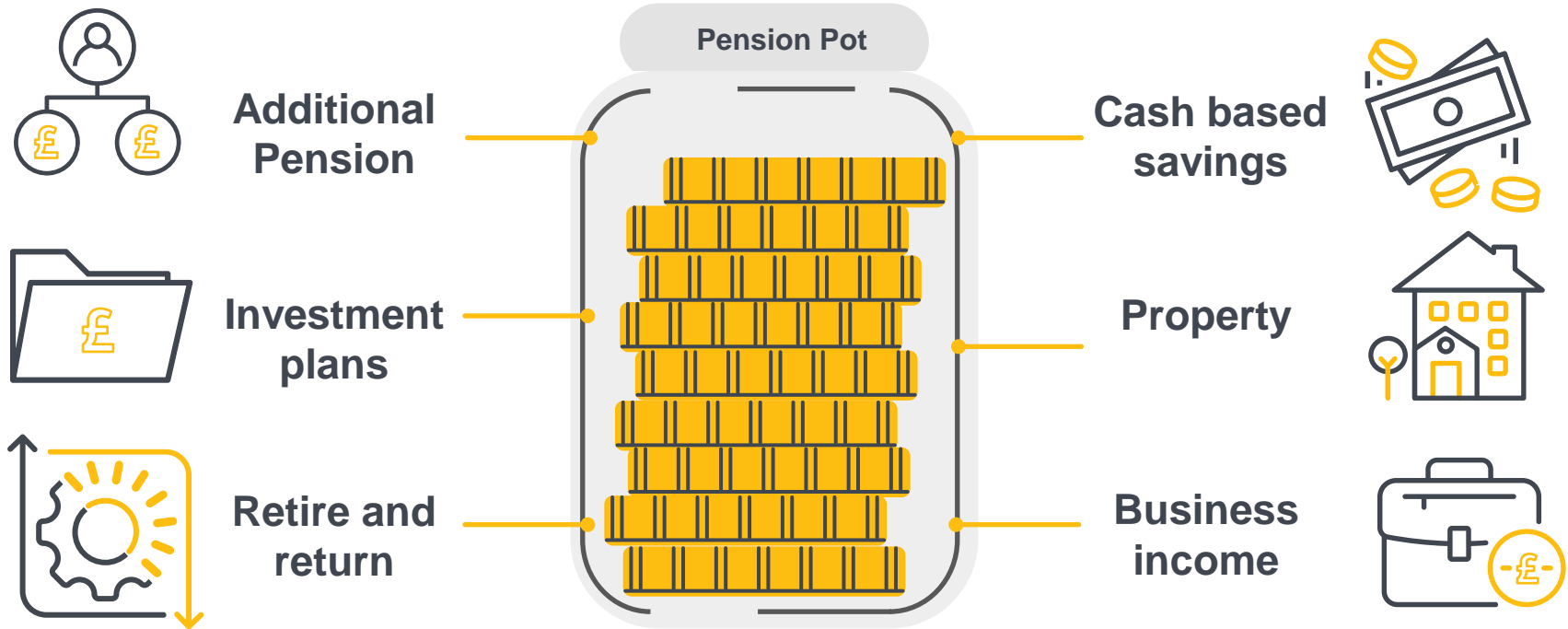
2015 section only



Pay extra contributions to buy out the early retirement reduction



Purchase up to a maximum of 3 years buy out





Threshold income of £200,000 or more = tested against Tapered Annual Allowance

Adjusted income of £260,000 or more = taper applied at £1 reduction for every £2 of income above £260,000

Adjusted income of £320,000 or more = Annual Allowance reduction to £10,000

Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA)

Introduced from 1st April 2024 to replace the LTA which limited the amount an individual could accrue in a pension over their lifetime.

The LSA is £268,275 or 25% of any lifetime allowance protection held if higher. Any Pension Commencement Lump Sum or the Tax-free element of any UFPLS will be tested against this limit.

Any excess will be subject to income tax at the individual's highest marginal rate.

The LSDBA is £1,073,100 or any lifetime allowance protected sum if higher. Tax free lump sums such as death benefit and serious ill health lump sums will be tested against this allowance and any excess subject to income tax at the individual's highest marginal rate.



Ill health retirement pension

Tier 1 benefits

Being permanently incapable of efficiently carrying out the duties of your employment because of illness or injury

Tier 2 benefits

Being permanently incapable of engaging in regular employment of similar duration because of the illness or injury



Death in Service benefit

Usually equal to the equivalent of 2 years actual reckonable pay.



Dependants pension benefits

Spouses receive half the pension the member would have received if they had retired as Tier 2 ill health on the date of death

If an adult dependent's pension is paid, the children's pension for one child will be dependent on what section the member was in.

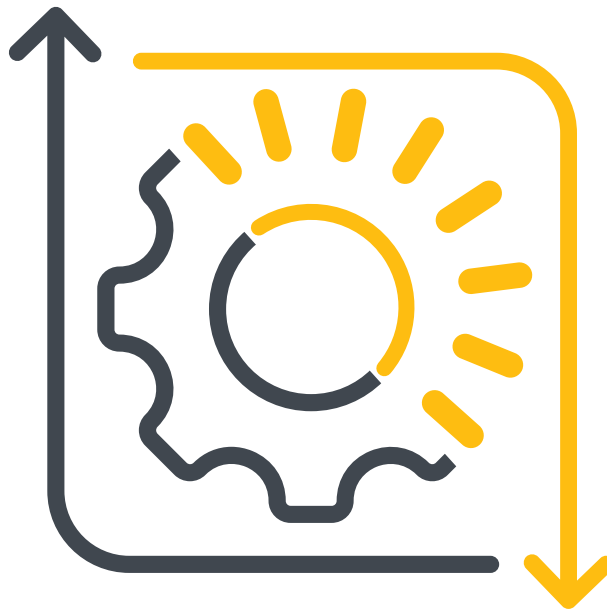
Retire and re-join the NHS Pension Scheme

Not ready to stop work altogether? You can retire and take your full pension, then return to work after a short break and re-join the NHS Pension Scheme to keep building your future pension benefits.

Partial retirement

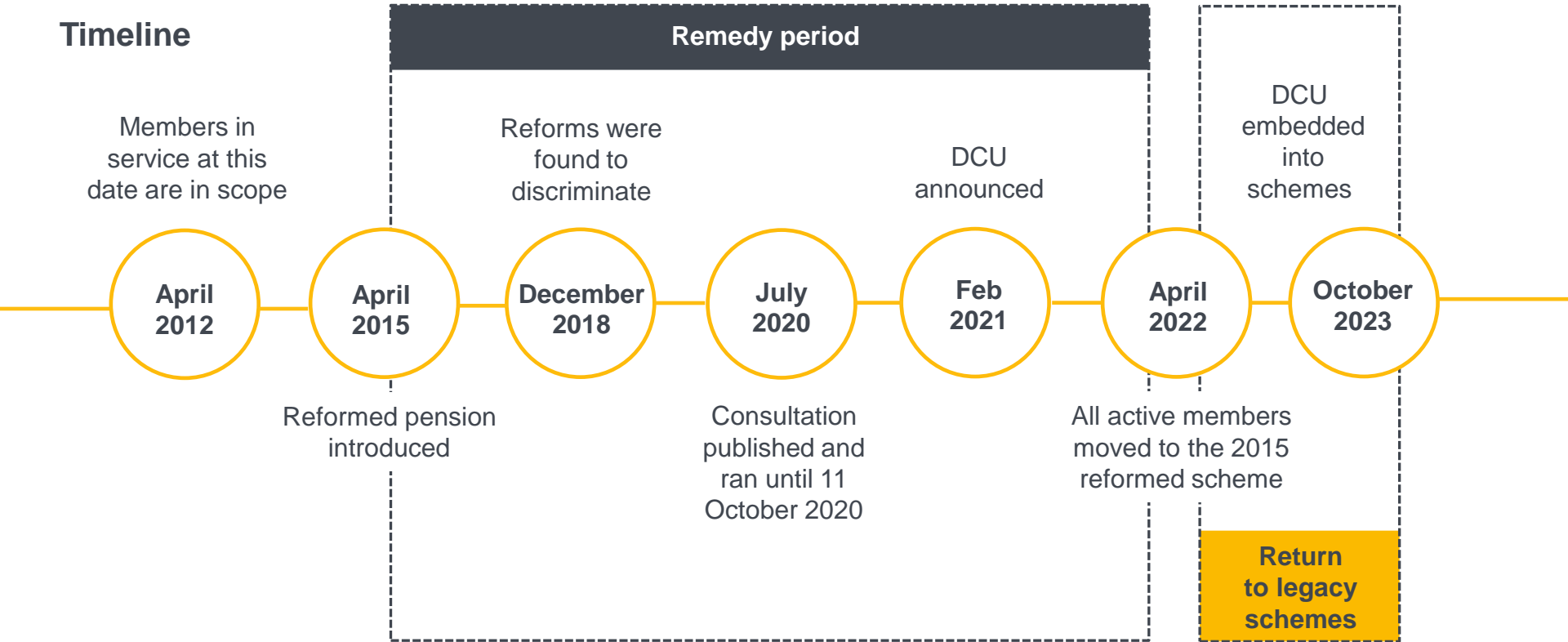
Allows you to claim your pension, whilst continuing to work, but without having to take a break and leave your job.

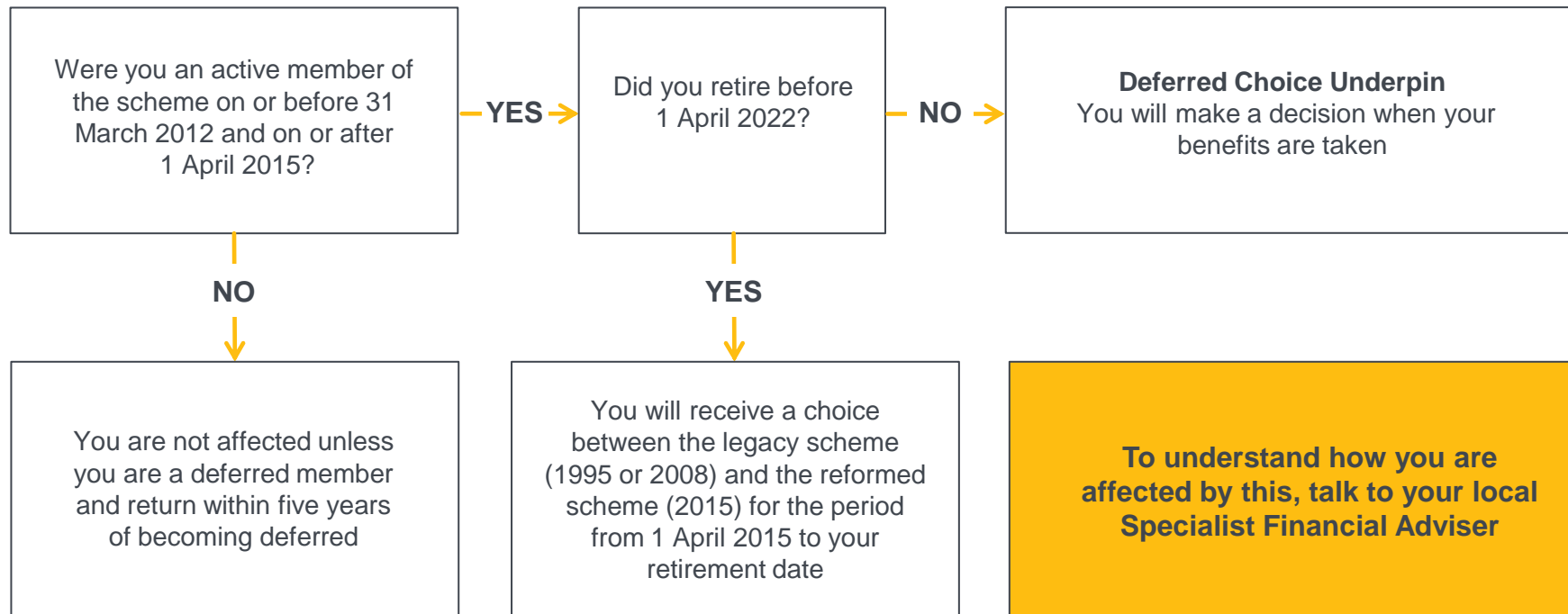
You will need to work with your employer to adjust your hours or reshape your contract, so your “pensionable pay” is reduced by 10% for the first year.

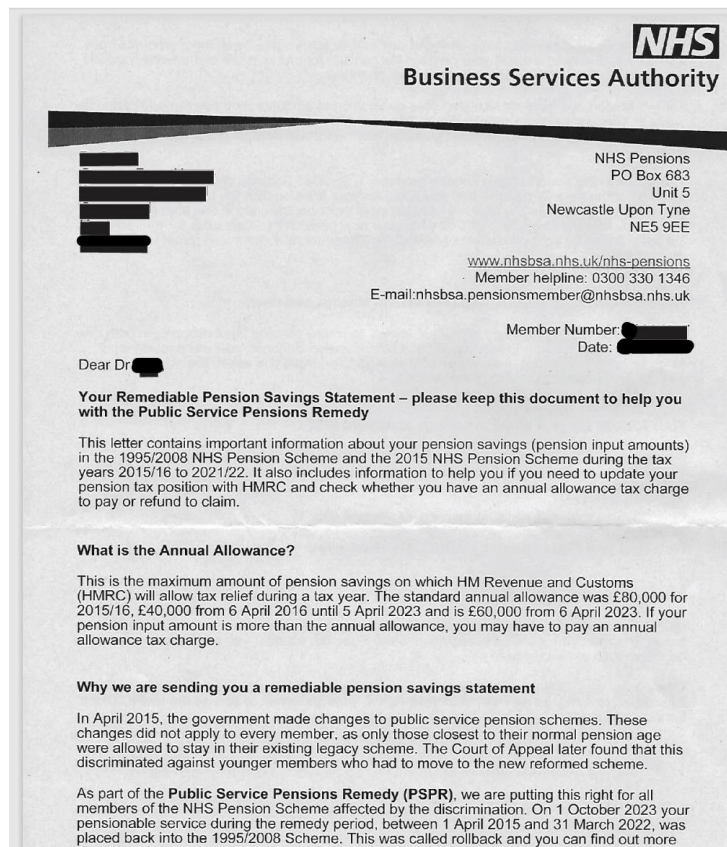


The McCloud Judgement

Timeline







Your NHS Pension Scheme Remedial Pension Savings Statement - Relevant tax years

			New pension input amount		Old pension input amount		Existing scheme pays election	
Pension Input Period Start	Pension Input Period End	Standard annual allowance	1995/2008 Scheme PSTR	2015 Scheme PSTR	1995/2008 Scheme PSTR	2015 Scheme PSTR	1995/2008 Scheme PSTR	2015 Scheme PSTR
2022/23 tax year: Your pension input amount is:								
06/04/2022	05/04/2023	£40,000.00	£0.00	£12,057.10			£0.00	£0.00
Remedy period tax years: Your old and new pension input amounts and existing scheme pays are:								
06/04/2021	05/04/2022	£40,000.00	£19,742.19	£165.76	£19,541.74	£139.68	£0.00	£0.00
06/04/2020	05/04/2021	£40,000.00	£6,102.26	£0.00	£3,700.05	£10,308.92	£0.00	£0.00
06/04/2019	05/04/2020	£40,000.00	£13,241.72	£0.00	£15,611.90	£9,382.34	£0.00	£0.00
06/04/2018	05/04/2019	£40,000.00	£9,141.52	£0.00	£9,139.51	£8,849.55	£0.00	£0.00
06/04/2017	05/04/2018	£40,000.00	£13,568.07	£0.00	£13,702.83	£9,214.83	£0.00	£0.00
06/04/2016	05/04/2017	£40,000.00	£11,778.09	£0.00	£12,377.73	£8,590.40	£0.00	£0.00
Post-alignment tax year								
09/07/2015	05/04/2016	£0.00	£2,417.04	£0.00	£0.00	£6,093.07	£0.00	£0.00
Pre-alignment tax year								
01/04/2015	08/07/2015	£80,000.00	£879.52	£0.00	£0.00	£2,217.17		

- **What is happening with Annual Allowance?**
- **Will Pension services or HMRC identify those clients and let them know they could be eligible?**
- **What about those who nominated scheme pays for their AA tax charge?**
- **What if a client decides to go back into the 2015 scheme for the remedy period when they reach retirement?**
- **Isn't the deadline longer for clients that are owed a refund? But the short deadline for clients that owe HMRC money?**

• **Will all members see a reduction in Annual Allowance for the remedy period?**

• **What about claim back? Can clients use this?**

• **What's the issue with service extracts?**

• <https://aisma.org.uk/>

• NHS BSA

• <https://www.gov.uk/guidance/calculate-your-public-service-pension-adjustment>



- From **October 2024** - Remedial Pension Savings Statements issued
- **31 January 2025** - deadline for tax return on 23/24 **and** also completion of HMRC adjustment tool
- **April 2025** - if a doctor wants to claim AA compensation for the 19/20, this needs to be done within 6 months of receipt of RPSS (approximately April 2025)
- **6 July 2025** - deadline for scheme pays amendments for McCloud (19/20-22/23) for current and deferred members
- **31 July 2025** - deadline for scheme pays for normal 23/24 year
- **6 July 2027** - deadline for scheme pays amendments for McCloud (19/20-22/23) for members who retired pre-31/10/23

Put a plan in action now for your retirement

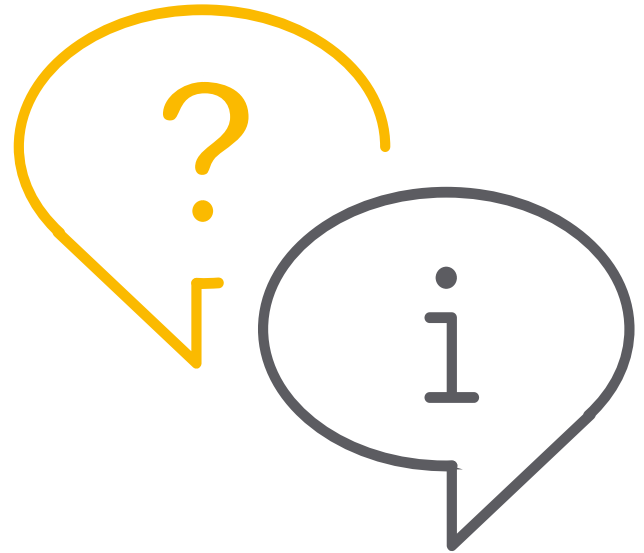
Understand the impact of the changes on your pension

Consider ways to boost your pension

Review your existing savings and investments

Check that your Death in Service and family benefits provide for your needs

It's important to review your arrangements regularly



To book a review,
complete an online
form using the QR
code above



Discuss your unique
retirement planning needs,
to understand what can be
done now and receive
specialist guidance



Let us help you
develop and **maintain**
your strategic plan

Questions

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evaluation survey

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