

## NHS Pensions

### NHS Cost Claim Back Scheme factsheet

#### **The NHS Cost Claim Back Scheme is for members affected by the Public Service Pensions Remedy**

**Those affected by the Public Service Pensions Remedy (PSPR), sometimes known as the McCloud remedy, will have a choice of 1995/2008 Scheme or 2015 Scheme pension benefits for their membership during the remedy period .**

**The remedy period is from 1 April 2015 to 31 March 2022.**

The remedy has been designed to correct the age-related discrimination identified in the McCloud ruling. The information NHSBSA is making available to affected members means that choosing pension benefits for the remedy period will be straightforward in most cases.

#### **What is covered by the NHS Cost Claim Back Scheme**

This scheme allows members directly affected by the remedy, or their personal representatives or designated persons, to apply to claim back certain financial losses or tax losses, incurred due to the discrimination or the application of the remedy.

For the vast majority of members there should be no need to seek independent advice to assist in understanding any impact of McCloud or for dealing with the potential tax implications of being rolled back into the 1995/2008 scheme.

It is recognised that a small minority of remedy members may have more complex situations so they may need to pay for professional services or advice, such as an accountant or an independent financial adviser (IFA). If so, they can apply to recover the cost of this advice (subject to certain limits) and some other direct financial or tax losses, using the NHS Cost Claim Back Scheme.

## Where to find the scheme rules

The full details of the NHS PSPR Cost Claim Back Scheme are explained in the [scheme rules](#). You should read these rules before completing a claim form. The types of losses this claim form covers need to meet conditions 1 or 2 in paragraph 5 of the scheme rules.

## Types of costs you can claim back

You can apply to claim back the costs of certain professional services or other financial losses that are due to the discrimination or application of the remedy. For example, these could be costs incurred where you employed an accountant or IFA for advice about the move to the 2015 Scheme, that no longer applies due to the remedy.

You can also apply to claim if you need advice about the effect of rollback and the Annual Allowance on your tax position after you've received your Remedial Pension Savings Statement (RPSS).

If you do seek financial advice, bear in mind that you will only be able to claim for relevant information or services that could not have been provided by the NHSBSA.

## Claims must be due to a direct impact of the Public Service Pensions Remedy (McCloud)

Services that are considered normal accountancy, general retirement planning or not required as a direct impact of the remedy will not be eligible for claim back.

For your claim to be considered, you must provide evidence that the financial advice you received was necessary and was as a direct result of the remedy.

## How much you can claim

The maximum payment under this Scheme for accountancy services, where the service relates to the use of the HMRC Digital Service for the completion of applications is £1,000 including VAT, per piece of advice.

A claim for IFA services to help you make your decision about your choice of pension benefits for the remedy period, is limited to £500 including VAT, per piece of advice.

## When should you make a claim

You can apply up to 12 months after receiving your RPSS or your first Remedial Service Statement.

If you need advice about the impact of the remedy on your Annual Allowance position, you should wait until after you receive your Remedial Pensions Saving Statement (RPSS) which will be provided. The RPSS will provide the information needed to use the HMRC Digital Service and to engage with any professional advisers for assistance, if needed.

Claims made for professional support about the impact of rollback on Annual Allowance, or the use of the HMRC Digital Service, will not be approved if advice was sought prior to NHSBSA providing a RPSS to the member.

All members who have received a Pension Saving Statement during the Remedy period, along with those that may now have an Annual Allowance liability due to rollback, will automatically receive a RPSS from the NHSBSA. There is no need for you to proactively contact the NHSBSA to request a RPSS.

## Claims for information that could also be obtained directly from NHSBSA

An example of this would be a member looking to retire early and seeking financial guidance on their options. However, we expect that most members can use their Annual Benefit Statement and the [early retirement calculator on the NHSBSA website](#) to find the same or equivalent information, free of charge.

Claims cannot be made for the costs of information which can, or will be, provided by the NHSBSA free of charge. Claims will only be considered in circumstances where a decision could not be made based on information provided by the NHSBSA.

### Example – approaching retirement

Jane is planning to retire at age 60 and wants to understand how her options for the Remedy Period will affect her pension benefits. Jane is age 55 and has never exceeded the Annual Allowance previously. Jane goes to a financial advisor and pays for the cost of a pension illustration then makes a claim under the Cost Claim Back Scheme. Jane's claim is unsuccessful because this advice is deemed as being general pension advice and does not directly correlate to an immediate need brought about by the discrimination or the application of the remedy.

Jane is looking for general advice on how McCloud may impact her options for future retirement. Jane will receive Annual Benefit statements from Ocot onwards, along with a Remedial Service Statement at retirement, which will provide her with information to make informed decisions for retirement planning.

In this instance Jane incurred costs for information that is the same or equivalent to information which the NHSBSA provides free of charge. Therefore this claim would not be considered eligible under the Cost Claim Back Scheme.

## If your Annual Allowance position is affected by the remedy

You should wait for your Remediable Pension Savings Statement (RPSS).

The NHSBSA will send all affected members their Remediable Pension Savings Statement (RPSS) free of charge and in plenty of time of any decision being required. The RPSS will give members the information they need to use the HMRC Digital Service, to correct their tax position for the remedy years.

If a member seeks advice about their tax position before receiving their RPSS, a claim for costs is unlikely to be accepted. If you have complex circumstances and need financial advice about the Annual Allowance after receiving your RPSS, you may be able to make a valid application for Cost Claim Back.

Below are some examples of claim types and a view on eligibility of each claim.

### **Complex scenario, RPSS not received**

John is an active member of the NHS Pension Scheme and has no current plans for retirement. John's tax situation is complex; he has exceeded the annual allowance in previous years and has utilised the Scheme Pays services to deal with previous tax liability. In advance of receiving his RPSS John pays for financial advice from a qualified financial advisor about his annual allowance position. John then completes the Cost Claim Back application to reimburse the cost of the advice. John explains why his tax situation is complex, why this is because of McCloud and why the advice was necessary on the application.

Without the detail contained in the RPSS, John does not have the official data that is required to use the HMRC Digital Service. In this instance the claim would not be approved because the advice John received didn't relate to the data contained in his RPSS.

### **Complex scenario, RPSS received**

John is an active member of the NHS Pension Scheme and has no current plans for retirement. John's tax situation is complex: he has exceeded the annual allowance in previous years and has utilised the Scheme Pays services to deal with previous tax liability. Upon receiving his RPSS, John needs to pay for financial advice from a qualified financial advisor and utilises the HMRC Digital Service to update his tax position. John then completes the Cost Claim Back application to reimburse the cost of the advice. John explains why his tax situation is complex, why this is because of McCloud and why the advice was necessary on the application.

John received his RPSS outlining his revised tax position following rollback. However, he needed professional advice to help understand the data and to correct his annual allowance position via the HMRC Digital Service. John sought advice that was relevant to his RPSS and this means he may be able to make a valid Cost Claim Back application for costs he incurred, within the allowable limits.

## **Completing the application form**

If you believe you meet the eligibility criteria to claim back for a direct financial loss under the Cost Claim Back Scheme, please complete [the application form](#), enclose the evidence required and email to [costclaimback@nhsbsa.nhs.uk](mailto:costclaimback@nhsbsa.nhs.uk).

Use a separate Cost Claim Back form for direct financial losses incurred from different providers.

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[www.nhsbsa.nhs.uk/nhs-pensions](http://www.nhsbsa.nhs.uk/nhs-pensions)