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To: All Members

Dear Brother/Sister

Pensions: Remedial arrangements to pay voluntary contributions to legacy schemes

Purchase of added years in the legacy schemes is restricted to members who are more than two years from normal pension age. Due to the way that the transitional protections were applied, there could be no members remaining in that category after 2020 (as fully protected members would have been 45 or older in 2012). From 1 April 2022, all members will build up service as members of the FPS 2015 and no new added years contracts can be entered into. Members will have the ability to purchase additional pension in the FPS 2015 (rather than added years).

Section 25 of the Public Service Pensions and Judicial Offices Act (PSPJOA) <https://www.legislation.gov.uk/ukpga/2022/7/section/25/enacted> provides for schemes to make regulations to allow the purchase of added years as a contingent decision, where the scheme manager is satisfied that the member would have entered into such an arrangement if they had remained in the legacy scheme during the remedy period.

This is a retrospective provision which would need to be legislated for in the amending scheme regulations. Therefore, at present it will not be possible for FRAs to offer any form of contingent decisions to members until remedy is implemented in October 2023.

The attached appendix is taken from the HM Treasury document: Government response to consultation (February 2021) Public service pension schemes: changes to the transitional arrangements to the 2015 schemes. The attached section from that document explains what is meant by a contingent decision.

Yours in Unity,

Mark Rowe
National Officer

MR/jr