

Clare Haughey MSP
Convenor
Finance and Public Administration Committee
The Scottish Parliament

By email: FPA.Committee@parliament.scot

7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE
www.pensions.gov.scot

Tel: 01896 893000
SPPAChiefExecutive@gov.scot

08 October 2026

Dear Clare Haughey MSP,

Further to my last progress update of 21 July 2026, I am writing to update you on the Scottish Public Pensions Agency's progress delivering the McCloud Remedy.

Delivery summary

As set out in my last letter, across the four SPPA-administered pension schemes, approximately 215,000 members are eligible to receive a Remedy statement.

As at 30 September 2026, we had issued 127,266 Remedy statements, across all categories, and a further 7,670 since my last update. This number includes active, deferred and immediate choice members. Active and deferred members receive an annual updated statement reflecting their current pension position (ABS-RSS); and retired members receive a one-off Remediable Service Statement (RSS) setting out their options for the Remedy period (1 April 2015 to 31 March 2022).

Since July, we have also issued a further 1,299 RSS to retired members, bringing the total number of retired (immediate choice) members who have been offered their Remedy choice to 24,434. There are 37,832 retired members who are still waiting for their RSS. I again extend my sincere apologies to them as we continue to work through their cases.

Update on delivery deadlines for retired members

I wish to reassure the Committee that all retired members are receiving the pension they were entitled to under the rules when they retired. For the majority this is likely to be the best option. Any arrears of pension or lump sum which arise from a member's Remedy choice attracts interest at 8% from the date the underpayment arose until 28 days after the RSS is sent. This interest will be paid by the UK Government and is designed to recompense members.

For immediate choice (IC), we have now reached 94.3% of eligible police members, 68.5% of eligible fire service members, 29.7% of eligible teacher members and 37% of eligible NHS officer members.

As we have continued to work through delivery of police IC in particular, further factors have come into play, which we had not fully anticipated in our original planning. We have used this information to conduct the final detailed planning for police and to support more detailed and better-informed planning for fire and teachers, which has pushed out our timeline beyond what we had previously anticipated for this work.

We have informed our pension boards and The Pensions Regulator that we intend to extend the delivery deadlines for the police, firefighters' and teachers' schemes beyond the current deadlines of 31 December 2026. We have, today, written to those retired members of these schemes who are still waiting for their RSS.

In line with The Pension Regulator's published guidance, we are engaging with our scheme pension boards, updating our delivery and communications plans, and communicating directly with members. We anticipate completing our re-planning work and writing formally to The Pensions Regulator in December.

Delivery progress – retired members (immediate choice)

As at 30 September 2026, we had delivered 24,434 (39%) of immediate choice remediable service statements (RSS).

Police

Our focus since July has been on delivering for the remaining police members who retired on ill-health grounds. The vast majority have now received their RSS. For the few remaining members, we will be able to progress their RSS as soon as we receive the necessary information from the further health assessments to calculate their entitlement under both the CARE and Legacy schemes.

Having delivered for those who retired on ill-health grounds, in September we mapped out the detailed delivery plans for the remaining 300 members who make up the final, most complex cohorts of the police immediate choice project. These include members with lifetime allowances, beneficiaries, members with pension sharing on divorce, and other members with specific complexities. Our current delivery plans indicate we should complete issuing RSS for these members by the end of March 2027. These cases will need to be handled with sensitivity and care, and our priority remains getting these right, which involves giving them the time required.

Since we took the decision last year to extend the deadline to December 2026, we have experienced delays which we have been unable to mitigate fully:

- we had to reallocate resources away from immediate choice projects at a critical time to revise some of the calculators used for business as usual to take account of the new factors announced earlier this year by HM Treasury following its announcement of the new Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate to be used in valuing public service pension schemes and setting new employer contribution rates, and
- it took longer than we anticipated to implement the decision by Scottish Ministers to write off ill-health overpayments to retired police members and to address the issues that subsequently emerged relating to injury payments.

As noted in earlier correspondence, we started developing the calculators for the police scheme first because of its smaller member cohort and more readily available data. This helped prove the concept and has allowed us to take the functionality we have developed and the lessons we have learned during police delivery to inform development across all four schemes, particularly the firefighters' scheme, which has similar rules.

Firefighters

The planning for the final police cohorts has highlighted some critical dependencies between the police and firefighter immediate choice projects and the change costs of trying to progress both simultaneously. We have had to make the difficult decision to prioritise individual subject matter experts to the police project full-time. Once complete, the same subject matter experts will then, as planned, take the lessons learned from, and processes developed for, police and apply them to firefighters, which should mean that overall processing should be quicker and smoother for the remaining firefighter cohorts.

The Firefighters' Pension Scheme presents a particularly complex remediation landscape because, alongside the McCloud Remedy, we must deliver two separate remedies, Booth and Matthews. Our overriding priority is to ensure members receive their remedies in the correct sequence so that they have complete and accurate information when making decisions about their pension entitlements. For approximately one-third of the remaining firefighters awaiting a McCloud choice, a Matthews decision must be completed first, meaning progress across the remedies must be carefully coordinated to achieve the best outcomes for members.

Dedicated resources remain in place to progress the delivery of both the Matthews and Booth remediation programmes. We have invested in process improvements and automation capabilities to reduce operational demand wherever possible, enabling the remedies to proceed as concurrently as practicable while maintaining accuracy and member service standards.

We are prioritising cases where members are affected by McCloud and require Matthews remediation, ensuring that the necessary information is available to support subsequent McCloud choices. This approach will put us in the strongest position to resume and complete McCloud delivery for firefighters following completion of the remaining police cohorts. We are also working closely with the Scottish Fire and Rescue Service and the Fire Brigades Union to finalise a revised joint delivery plan and enhanced communications approach that reflects the interactions between all three remediation projects and provides clear, timely information to affected members.

Teachers and NHS

We are using our improved understanding of the requirements to deliver for these final complex cohorts in police to review and re-plan the remainder of the teachers' and NHS immediate choice projects.

Communicating with members

We have today written to all retired members in our police, fire and teacher schemes who are still awaiting an RSS to update them on Remedy delivery progress. We are also continuing to work in partnership with employers and member representative bodies to assist with our communications and messaging.

We will continue to update our members regularly on Remedy delivery progress through our established cycle of member updates, including on our online Remedy hubs and member newsletters.

Next steps

We intend to update The Pensions Regulator on our revised plans at the end of November, before formally notifying The Pensions Regulator in December that we will be extending the statutory deadline for police, fire and teachers from 31 December 2026. We will also update members and this Committee.

Across all projects, the SPPA continues to balance delivery at pace with ensuring we meet our programme-level objectives:

- i. Protecting core ‘business as usual’ operational minimum standards (i.e. making pension payments and processing applications for retirement on time).
- ii. Getting it right first time – providing accurate and clear statements/ information and support for members to make informed Remedy choices.
- iii. Communicating progress clearly to members and stakeholders.
- iv. Ensuring we can process Remedy decisions once made.
- v. Meeting statutory deadlines.

I am grateful to members, employers and staff representatives for their ongoing patience and support.

If there is any further information that would be helpful in advance of meeting with you at Committee, do please let me know.

Yours sincerely,



Stephen Pathirana

Chief Executive

Remedy delivery progress to 30 September 2026 by scheme

Scheme	Active (ABS-RSS)		Retired (RSS)	
	No.	%	No.	%
NHS*	58,593	86.7%	11,941	37.0%
Teachers**	29,380	89.5%	6,119	29.7%
Police**	7,037	98.4%	5,096	94.3%
Firefighters**	2,002	97.4%	1,278	68.5%
TOTALS	97,012		24,434	
Deferred choice	5,820			
COMBINED TOTAL	127,266			

* NHS figures for ABS-RSS are from the 2025 annual exercise, which provided statements for the 2024/25 financial year, given we are still conducting the 2026 annual exercise for this scheme.

** Figures for ABS-RSS for these schemes are for the 2026 annual exercise which provided members with statements for the 2025/26 financial year.

Previous update for reference – delivery progress to 3 July 2026

Scheme	Active (ABS-RSS)		Retired (RSS)	
	No.	%	No.	%
NHS	58,593	86.7%	11,941	37.0%
Teachers	28,402	86.5%	4,986	24.2%
Police	7,535	98.4%	5,020	93.1%
Firefighters	1,931	88.5%	1,188	63.6%
TOTALS	96,461		23,135	
COMBINED TOTAL	119,596			