SPPA Scottish Public Pensions Agency
Buidheann Peinnseanan Poblach na h-Alba

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

Tel: 01896 893000
SPPAChiefExecutive@gov.scot

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

By email: FPA.Committee@parliament.scot

20 July 2026

Dear Clare Haughey MSP,

Further to my letter of introduction of 17 June 2026, I am writing to update you on the Scottish Public Pensions Agency's progress delivering the McCloud Remedy. I last provided an update to your predecessor Committee on 17 March 2026 and committed to providing a further quarterly update this month.

Summary

Across the SPPA-administered pension schemes, approximately 215,000 members are eligible to receive a Remedy statement. This includes active members, who will receive an updated statement reflecting their current pension position (ABS-RSS), and retired members, who will receive a Remediable Service Statement (RSS) setting out their options for the Remedy period (1 April 2015 to 31 March 2022).

The SPPA notified The Pensions Regulator in October 2025 that we were exercising the discretion, provided in the relevant legislation, to extend the deadline for Remedy delivery for the police, firefighters' and teachers' schemes to the end of 2026, and for the NHS scheme to the end of July 2028.

Within the Remedy programme, we have projects for active, deferred and retired members for each of the NHS, teachers', firefighters' and police schemes. Across all Remedy projects, delivery continues to progress broadly in line with the plans we have communicated. More detail is provided below. We have sought to explain terms as we go and have provided a glossary of common terms in Annex B for colleagues unfamiliar with pensions administration.

As at 3 July 2026, we had issued 119,596 Remediable Service Statements (RSS and ABS/RSS), and 8794 Remediable Pensions Savings Statements, for those members who breached their annual allowance during the remedy period. While we remain confident about our sustained progress towards completion, I would like to take this opportunity to reiterate my apologies to members still awaiting their Remedial Service Statements. I understand how frustrating this will be for many.

Delivery progress – active members

Remedial Service Statements

Every year the SPPA delivers Annual Benefit Statements (ABS) to active members – those still in employment and paying into the scheme – by the 31 August deadline. Members who are eligible for the 2015 Remedy receive an ABS-RSS containing dual estimates. This statement helps members understand the impact of Remedy before they make their Remedy choice on retirement.

The first ABS-RSS were issued as part of the 2024 ABS exercise. The 2025 ABS exercise increased the scope of ABS-RSS we were able to provide, reaching 98% of eligible members in the police scheme, 88% in the firefighters', and 86% of eligible members in both the teachers' and the NHS scheme. These figures are reflected in the table in **Annex A,** which detail our progress as at 3 July 2026**.** For the remaining more complex cases, we were unable to provide an ABS or RSS because the additional technical capability to calculate an ABS-RSS was still to be developed and assured by the Government Actuary's Department.

We are on track to issue ABS-RSS for all members who received one last year by the 31 August deadline. The SPPA has this year launched a new online member portal, Engage, where ABS and ABS-RSS will be posted. Work is ongoing with employers and employee representatives through the scheme Pension Boards to encourage more members to sign up to Engage, which will allow members of all four pension schemes to update their personal scheme information, access a current valuation, view pensions forecasts and access important scheme documents.

We will make further progress in this year's exercise in delivering ABS-RSS to members of the more complex cohorts, however these members may receive their ABS-RSS after 31 August. We will communicate directly with any members who experience a delay in receiving an ABS-RSS and in any case where the technical capability is not yet available to provide the member with their ABS-RSS in this year's exercise. Members who are affected can use the SPPA's self-serve online calculators to obtain an estimate and can request an estimate as part of planning for retirement. Information on how to do this will be provided and is available on the SPPA's website.

Pensions Savings Statements

For active members who have exceeded their Annual Allowance in a given tax year, or who have previously requested one, SPPA is also required to issue a Pension Savings Statement (PSS). For Remedy eligible members who previously breached their Annual Allowance, SPPA is also required to issue Remediable Pension Savings Statements (RPSS), which retrospectively recalculate pension growth across both the legacy and CARE schemes over the remedy period. This involves complex calculations over a 10 year period to be shared with HMRC and support members tax calculations.

As at today's date, SPPA has issued **8,794 RPSS**, representing over half of the **15,283 RPSS** currently identified as requiring production across the NHS, police, firefighters' and teachers' schemes.

We expect to have completed over two-thirds of the currently outstanding RPSS population by October 2026, with full completion of the currently identified active member population by April

2027. Following completion of this exercise, all active members will be rerun through the calculation process to identify whether any additional RPSS are required as a result of remedy-related recalculations.
Delivery of the remaining RPSS is dependent on the successful completion of development work currently underway to generate the remaining ABS-RSS statements, as RPSS for this cohort cannot be produced until that activity has been completed. Whilst there remains a risk that unforeseen technical or development issues could impact the delivery timetable, current progress indicates that SPPA remains on track to achieve the planned completion dates.

Delivery progress – retiring members (deferred choice)

For members of the police and fire schemes, which are smaller and less complex, RSS have been provided on retirement since October 2023 for all new retirals for Remedy-eligible members. For the NHS, 60% of eligible members can now be provided with their Remedy choice on retirement, with the remaining 40% defaulting to legacy benefits, which are expected to represent the best outcome for most retirees. For teachers, 77% of members are able to make their Remedy choice on retirement, with the remaining 23% defaulting to legacy benefits. Those who have defaulted to legacy will continue to be paid their pension and will be provided with their RSS to make their Remedy choice as part of the immediate choice cohort as soon as the technical capability is available.

Delivery progress – deferred members

We noted in our last update that while we had not yet issued any ABS-RSS to deferred members – those who have left the pension schemes but have not yet retired – that we would be addressing this in the third quarter of the year as part of our programme of work around meeting the requirements for the UK Pensions Dashboard. This work is ongoing and on track and we hope to provide more detailed information in our next update.

Delivery progress – retired members (immediate choice)

Eligible retired members are already receiving their pension and are not experiencing any delays to pension payments while the SPPA delivers Remedy. Our current analysis indicates around 75% of retired members are expected to choose to remain on their current pension as this is most beneficial for them. Nevertheless, the SPPA will ensure every Remedy-eligible member receives the information they require to understand their options and any impact on their benefits arising from making their Remedy choice.

At Committee in December 2025, I noted the SPPA expects to complete delivery of the bulk of immediate choice casework for those members who have already retired for:

- police by the end of the first half of 2026;
- firefighters and teachers by the end of 2026; and
- NHS to have the majority completed by the end of 2026 but extending into 2027 because of the larger numbers involved.

We remain mainly on track to meet these timelines for completion. More detail on our progress, as at 3 July 2026, is set out below and is reflected in the table in **Annex A.**

<u>Police</u>

Police is now **93.1% complete, with 375 RSS remaining.** We expect to achieve 96-97% completion by the end of July 2026. We are working through ill-health cases, where ill-health reassessments are required, and we can progress RSS once the necessary member information has been returned to us. The remaining complex cases with lifetime allowance complexities and beneficiary implications will be delivered from August, with anticipated completion during September 2026.

Firefighters
Firefighters is currently **63.6% complete, with 679 RSS outstanding.** At present delivery performance is exceeding the original planned milestones shared with the Committee and remains ahead of forecast expectations. Alongside McCloud Remedy delivery, we continue to progress the remedial work associated with the Booth and Matthews legal judgments, both of which have implications for members' pension benefits.

Teachers
Teachers is **24.2% complete, with approximately 15,600 RSS outstanding** and is moving into the next phase of delivery, having resolved several significant technical and policy issues. We expect to process a number of more complex member cohorts during the coming months, representing a substantial proportion of the remaining Remedy-eligible members.

NHS
NHS is currently **37% complete, with approximately 23,000 RSS remaining,** which is broadly in line with the forecast previously shared with the Finance and Public Administration Committee of 40% by end of June. The SPPA is working collaboratively with colleagues at NHS England and Wales to consider how we can share knowledge and resources to address common delivery challenges. Our performance continues to be in line with, or slightly ahead of, our colleagues at NHS England and NHS Wales. The UK Minister of State for Health (Secondary Care) provided the following update to the UK Parliament, in which she advised they are working towards a June 2030 Remedy completion date: Written statements - Written questions, answers and statements - UK Parliament.

Next steps

The experience we have gained through police immediate choice delivery has strengthened capability across the wider Remedy programme, particularly in relation to policy interpretation, complex calculations, assurance requirements and managing exceptional case types. We are now applying the lessons we have learned across firefighters', NHS and teachers' projects.

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.

Please do not hesitate to contact me if you require any further information. I look forward to engaging further with the Committee and I do hope you and fellow Committee members will take up our offer to visit us in Tweedbank to find out more about our work.

Yours sincerely

Stephen Pathirana
Chief Executive

Annex A

Remedy delivery progress to 3 July 2026 by scheme

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**				

Previous update, delivery progress to 3 March 2026, for reference

Scheme	*Active (ABS-RSS)*			*Retired (RSS)*	
	No.	*%*		*No.*	*%*
NHS	*58,593*	*86.7%*		*9,924*	*26.2%*
Teachers	*28,402*	*86.5%*		*3,477*	*17.0%*
Police	*7,485*	*97.8%*		*4,787*	*89.0%*
Firefighters	*1,903*	*86.6%*		*465*	*25.3%*
TOTALS	*96,383*			*18,653*	
COMBINED TOTAL	*115,036*				

Annex B

Glossary of terms

To assist the Committee, we have provided a short explanation of the principal terms often used when discussing Remedy.

Active cohort
These are members who are currently employed and contributing to one of the Remedy-affected public service pension schemes. These members receive an Annual Benefit Statement (ABS) combined with Remedy information, known as an ABS-RSS. The statement provides illustrations of benefits under both legacy and reformed scheme arrangements for the Remedy period, helping members understand the options available to them when they eventually retire.

Annual Benefit Statement with Remediable Service Statement (ABS-RSS)
This is a combined statement issued to active and deferred members showing pension benefit estimates under both legacy and reformed scheme arrangements for the Remedy period. This statement helps members understand the impact of Remedy before they retire and make their choice.

Annual Pension Increase (API)
This is the annual adjustment applied to pensions in payment to help maintain their value over time. Where pension benefits are revised, previously applied increases may also need to be recalculated to ensure pensions remain accurate.

Deferred choice (DC) cohort
These are members who were active during some or all of the Remedy period but have since left pensionable employment and are not yet receiving a pension. These members are also entitled to receive an ABS-RSS and may request updated statements before retirement. Their choice between legacy and reformed benefits is made when they come to claim their pension.

Immediate Choice (IC) cohort
These are members who have retired and are receiving a pension from one of the police, firefighters', NHS or teachers' pension schemes. The SPPA must retrospectively calculate both legacy and reformed scheme benefits for the Remedy period (1 April 2015 to 31 March 2022), issue a Remediable Service Statement (RSS), and implement the member's choice. These cases can involve the SPPA recalculating benefits already in payment, interest adjustments, tax considerations and, in some instances, collecting additional information to support accurate benefit calculations.

Legacy scheme
This is the pension scheme arrangement that existed before the 2015 public service pension reforms. Under the McCloud Remedy, eligible members may choose to receive benefits relating to the Remedy period under these arrangements if they are more beneficial.

Pension revisions
This involves the recalculation of pension benefits following receipt of new, corrected or updated information. This can arise where employers provide revised pensionable pay information or where previous calculations need to be amended. Revision activity is a significant factor in the delivery of some Remedy cohorts, particularly within the NHS scheme.

Reformed scheme (CARE scheme)
The Career Average Revalued Earnings (CARE) pension arrangements were introduced across public service pension schemes from 2015. Remedy calculations require benefits under these arrangements to be compared with those available under the legacy schemes.

Remediable Pension Savings Statement (RPSS)
An RPSS is issued to Remedy-eligible members and shows the growth of their pension each year during the Remedy period, helping them determine whether they have exceeded the Annual Allowance (AA).

Remediable Service Statement (RSS)
This is the statutory statement we issue to affected members which sets out the pension benefits available under both legacy and reformed scheme arrangements and provides the information required for them to understand the choices available to them under the McCloud Remedy.

SCAPE Discount Rate
This is the discount rate set by HM Treasury and used in public service pension valuations and cost calculations. Changes to SCAPE assumptions can affect pension calculations and Remedy delivery activity.