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STATUTORY INSTRUMENTS

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**2023 No. 942**

The Public Service (Civil Servants and Others)  
Pensions (Remediable Service) Regulations 2023

PART 5

Voluntary contributions

CHAPTER 1

Added pension

**Interpretation of Chapter 1**

**26.** In this Chapter—

“added pension rights” means rights to alpha added pension or PCSPS added pension;

“alpha added pension” means benefits secured under Part 2 of Schedule 1 to the 2014 Regulations;

“PCSPS added pension” means benefits secured under—

- (a) rule C1.1 or C1.2 of Section I;
- (b) Section 14 of Section II;
- (c) rule D.4 or D.5 of Section III;

“periodic arrangement” means an arrangement under which a remedy member secures added pension rights by virtue of periodic voluntary contributions.

**Lump sum purchase of added pension**

**27.—**(1) This regulation applies in relation to added pension rights secured by a lump sum voluntary contribution made by a remedy member (“M”) during the period of M’s remediable service (“the remediable voluntary contribution”).

(2) The scheme manager must—

- (a) as soon as practicable after 1st October 2023, and
- (b) having consulted the scheme actuary,

determine the equivalent value of the added pension rights that would have been secured in the alternative scheme if the remediable voluntary contribution had been paid to the alternative scheme in the same relevant pension year in which the remediable voluntary contribution was paid (“the alternative added pension value”).

(3) Paragraph (4) applies where—

- (a) M is a deferred choice member, and
- (b) the added pension rights mentioned in paragraph (1) are rights to alpha added pension.

(4) Where this paragraph applies—

- (a) the rights to alpha added pension secured by the remediable voluntary contribution are extinguished, and
  - (b) the scheme manager must confer rights to PCSPS added pension that are of equivalent value to the alternative added pension value.
- (5) Paragraph (6) applies where—
- (a) M has rights to PCSPS added pension (whether or not by virtue of paragraph (4)), and
  - (b) the benefits payable in relation to M’s remediable service are alpha benefits by virtue of—
    - (i) a section 6 election (including a deemed section 6 election), or
    - (ii) a section 10 election.
- (6) Where this paragraph applies, the scheme manager must, having consulted the scheme actuary, vary M’s rights to PCSPS added pension so that they are equivalent to added pension rights that would have been secured under alpha if the remediable voluntary contribution had been paid to alpha in the same relevant pension year in which the remediable voluntary contribution was paid.
- (7) In this regulation—
- “alternative scheme” means—
- (a) in relation to added pension rights secured or treated as secured in alpha, the PCSPS;
  - (b) in relation to added pension rights secured or treated as secured in the PCSPS, alpha;
- “relevant pension year” has the meaning given in direction 5(16)(c)(i) of the PSP Directions 2022.

### **Periodic arrangements for alpha added pension**

- 28.**—(1) This regulation applies in relation to a periodic arrangement for alpha added pension (“the relevant periodic arrangement”)—
- (a) of a member (“M”) who is—
    - (i) a deferred choice member, or
    - (ii) an immediate choice member in respect of whose remediable service section 2(3)(b) of PSPJOA 2022 has effect, and
  - (b) which commenced during M’s period of remediable service.
- (2) The relevant periodic arrangement is to be treated on and after 1st October 2023 as if it is (and always was) a periodic arrangement for PCSPS added pension.
- (3) The rights to alpha added pension secured by payment of any voluntary contribution pursuant to the relevant periodic arrangement are extinguished.
- (4) The scheme manager must—
- (a) as soon as is practicable after 1st October 2023, and
  - (b) having consulted the scheme actuary,

confer rights to PCSPS added pension that are of an equivalent value to the added pension rights that would have been secured in the PCSPS if each voluntary contribution paid to alpha pursuant to the relevant periodic arrangement had been paid to the PCSPS in the same relevant pension year in which the voluntary contribution was paid to alpha.

### **PCSPS added pension: treatment on a section 6 or 10 election**

- 29.**—(1) This regulation applies where—
- (a) a remedy member (“M”) has rights to PCSPS added pension—

- (i) secured by voluntary contributions made pursuant to a periodic arrangement which commenced during the period of M's remediable service, or
  - (ii) conferred under regulation 28(4) in place of extinguished rights to alpha added pension, and
- (b) the benefits payable in relation to M's remediable service are, by virtue of a section 6 election (including a deemed section 6 election) or a section 10 election, alpha benefits.
- (2) The scheme manager must, having consulted the scheme actuary, vary the rights to PCSPS added pension so that they are equivalent to the added pension rights that would have been secured in alpha if the voluntary contributions that originally secured the rights mentioned in paragraph (1) (a) had been paid to alpha in the same relevant pension year in which the voluntary contribution was paid.

## CHAPTER 2

### Effective pension age and enhanced effective pension age

#### **Treatment of EPA and EEPA rights**

**30.**—(1) This regulation applies where a remedy member ("M") entered into an arrangement during the period of their remediable service to pay periodic voluntary contributions (the "remediable voluntary contributions") to secure EPA or EEPA rights.

(2) The scheme manager must, as soon as is practicable after 30th September 2023 and having consulted the scheme actuary, determine—

- (a) the equivalent value of added pension rights that would have been secured in the PCSPS if each remediable voluntary contribution had been paid to secure added pension rights in the PCSPS in the same relevant pension year in which the remediable voluntary contribution was paid ("the PCSPS added pension value"), and
- (b) the "compensatable amount", being an amount by way of compensation which is equal to—
  - (i) the aggregate of all of M's remediable voluntary contributions, less
  - (ii) an amount in respect of the value of tax relief in accordance with direction 5(5) to (9) of the PSP Directions 2022.

(3) Where a determination is made in accordance with direction 5(8) of the PSP Directions 2022, the following apply—

- (a) direction 5(10) (provision of explanation);
- (b) direction 5(11) and (12) (appeals).

(4) When making a remedy decision that no section 6 election or (as the case may be) no section 10 election is to be made in respect of M's remediable service, the relevant decision-maker may also make a decision in accordance with paragraph (5) that—

- (a) rights to added pension are to be conferred under the PCSPS that are of an equivalent value to the PCSPS added pension value, or
- (b) the scheme manager is required to pay M or, where M is deceased, M's personal representatives the compensatable amount.

(5) A decision is made in accordance with this paragraph where it is communicated to the scheme manager—

- (a) in a form and manner determined by the scheme manager, and
- (b) at the same time as the remedy decision mentioned in paragraph (4).

(6) Where—

- (a) a decision is made in accordance with paragraph (5) for the purpose in paragraph (4)(a), or
- (b) no decision has been made in accordance with paragraph (5), and—
  - (i) the period during which a remedy decision may be made in relation to M’s remediable service has passed,
  - (ii) no remedy decision has been made that a section 6 election or a section 10 election is to be made in relation to M’s remediable service, and
  - (iii) M is not an immediate choice member in respect of whose remediable service a section 6 election is deemed to have been made under regulation 10,

the scheme manager must confer rights to added pension under the PCSPS that are of an equivalent value to the PCSPS added pension value.

(7) Where a decision is made in accordance with paragraph (5) for the purpose in paragraph (4)(b), the scheme manager must pay to M or, where M is deceased, M’s personal representatives the compensatable amount.

(8) Where—

- (a) rights to added pension under the PCSPS are conferred under paragraph (6), or
- (b) compensation is paid in relation to M’s remediable EPA or EEPA rights under paragraph (7),

any rights that would otherwise have been secured by the remediable voluntary contributions are extinguished.

(9) In this regulation—

“added pension”, in relation to the PCSPS, has the meaning given to “PCSPS added pension” in regulation 26;

“EPA or EEPA rights” means rights to benefits secured under Part 3 or Part 4 of Schedule 1 to the 2014 Regulations;

“remediable EPA or EEPA rights” means EPA or EEPA rights secured by virtue of remediable voluntary contributions;

“remedy decision” means an immediate choice decision or a deferred choice decision;

“relevant decision-maker” means—

- (a) where M is a deferred choice member, the deferred choice decision-maker;
- (b) where M is an immediate choice member, the immediate choice decision-maker;

“relevant pension year” has the meaning given in direction 5(16)(c)(i) of the PSP Directions 2022.

## CHAPTER 3

### Treatment of remediable added pension rights

#### Application and interpretation of Chapter 3

**31.**—(1) This Chapter applies in relation to “remediable added pension rights”, being added pension rights secured by a remedy member (“M”) by virtue of—

- (a) a lump sum voluntary contribution made during the period of M’s remediable service, or
- (b) a voluntary contribution under a periodic arrangement which commenced during the period of M’s remediable service.

(2) In paragraph (1), “added pension rights” and “periodic arrangement” have the meanings given in regulation 26.

### **Treatment of added pension rights under alpha**

**32.**—(1) Where M’s remediable added pension rights would, apart from this regulation, be rights to benefits under alpha, the rights—

- (a) are not, and are treated as never having been, rights to benefits under alpha, and
- (b) are treated as being, and as always having been, rights to benefits under the PCSPS.

(2) Paragraph (1) has effect for the purpose of determining which civil service scheme is (or at any time was) required to pay benefits to or in respect of M’s remediable added pension rights.

(3) Paragraph (4) applies where—

- (a) section 2(1) of PSPJOA 2022 has effect in relation to the remediable service of an immediate choice member (“M”),
- (b) M secured rights to alpha added pension (within the meaning of regulation 26) by virtue of—
  - (i) an arrangement under which M paid a lump sum voluntary contribution during the period of M’s remediable service, or
  - (ii) a periodic arrangement which commenced during the period of M’s remediable service, and
- (c) immediately before 1st October 2023, M was a pensioner member in relation to alpha.

(4) Where this paragraph applies—

- (a) the rights to alpha added pension mentioned in paragraph (3)(b) are to be treated for the purposes of these Regulations and of PSPJOA 2022 as if those rights were secured by virtue of M’s remediable service, and
- (b) section 2(5)(a) of PSPJOA 2022 does not apply in relation to the arrangement by virtue of which M secured the rights to alpha added pension (and, accordingly, section 2(1) of PSPJOA 2022 affects that arrangement).

### **Benefits already paid in relation to added pension rights**

**33.**—(1) Paragraph (2) applies in relation to any benefits (“the paid benefits”) that alpha has at any time paid to a person (“P”) so far as—

- (a) they are calculated by reference to remediable added pension rights, and
- (b) they are benefits that, as a result of regulation 32(1)(a), P was not entitled to receive.

(2) The paid benefits are to be treated for all purposes—

- (a) as not having been paid to P by alpha, but
- (b) as having been paid to P instead by the PCSPS.

### **Pension benefits and lump sum benefits in relation to remediable additional rights**

**34.**—(1) This regulation applies in relation to any benefits that have been paid to or in respect of the remediable added pension rights of an immediate choice member.

(2) Where, at the operative time—

- (a) the aggregate of benefits that (after taking into account the effect, if any, of regulation 33(2)) have been paid under the PCSPS to any person (“the beneficiary”) in respect of M’s remediable additional rights, exceeds
- (b) the aggregate of the benefits to which (after taking into account the effect, if any, of regulations 27(6), 28(4), 29(2) and 32(1)) the beneficiary is entitled under the scheme in respect of the rights,

the beneficiary must pay an amount equal to the difference to the scheme.

- (3) Where, at the operative time—
- (a) the amount mentioned in paragraph (2)(a), is less than
  - (b) the amount mentioned in paragraph (2)(b),

the scheme manager must pay an amount equal to the difference to the beneficiary.

- (4) In this regulation, “the operative time” means—
- (a) if an immediate choice decision is made in relation to M’s remediable service, the time the decision is made;
  - (b) otherwise, the end of the section 6 election period in relation to M.

#### CHAPTER 4

##### Remedial arrangements to pay voluntary contributions to the PCSPS

##### **Remedial arrangements to pay voluntary contributions to secure EPA or EEPA rights**

- 35.**—(1) This regulation applies to a remedy member (“M”) who—
- (a) was, immediately before 1st April 2022, a full protection member within the meaning given to that term by paragraph 1 of Schedule 2 to the 2014 Regulations, and
  - (b) is not a deceased member.
- (2) M may elect to enter into an arrangement (a “remedial arrangement”) to pay voluntary contributions to the PCSPS for rights to EPA or EEPA in accordance with—
- (a) in respect of—
    - (i) rights to EPA, Part 3 of Schedule 1 to the 2014 Regulations;
    - (ii) rights to EEPA, Part 4 of Schedule 1 to the 2014 Regulations, and
  - (b) this regulation.
- (3) M may only enter into a remedial arrangement—
- (a) in respect of a period of M’s remediable service,
  - (b) if the scheme manager is satisfied that it is more likely than not that, but for a relevant breach of a non-discrimination rule, M would, during the period of M’s remediable service, have entered into a similar arrangement,
  - (c) before—
    - (i) the end of the period of one year beginning with the day on which a remediable service statement is first provided in respect of M, or
    - (ii) such later time as the scheme manager considers reasonable in all the circumstances, and
  - (d) after the scheme manager has approved an application made in accordance with paragraph (4).
- (4) An application is made in accordance with this paragraph where—
- (a) the application is in writing in a form and manner determined by the scheme manager,
  - (b) it is accompanied by any information the scheme manager reasonably requires to be provided for the purposes of—
    - (i) determining the matters mentioned in paragraph (3)(b);

- (ii) complying with any requirement imposed by Part 3 or (as the case may be) Part 4 of Schedule 1 to the 2014 Regulations in connection with exercising an option to pay voluntary contributions for rights to EPA or EEPA, and
- (c) it is received by the scheme manager—
  - (i) before the end of the period of six months beginning with the day on which a remediable service statement is first provided in respect of M, or
  - (ii) such later time as the scheme manager considers reasonable in all the circumstances.
- (5) Where M enters into a remedial arrangement—
  - (a) the scheme manager must confer rights under the PCSPS which are equivalent to the rights M would have secured had M entered into a similar arrangement but for a relevant breach of a non-discrimination rule, and
  - (b) M owes to the scheme manager an amount equal to—
    - (i) the aggregate of the voluntary contributions which M would have owed had M entered into the remedial arrangement at the time M would have entered into a similar arrangement but for a relevant breach of a non-discrimination rule, less
    - (ii) tax relief amounts calculated in accordance with direction 12(2) to (7) of the PSP Directions 2022.
- (6) Where a determination is made in accordance with direction 12(6) of the PSP Directions 2022, the following apply—
  - (a) direction 12(8) (provision of explanation);
  - (b) direction 12(9) and (10) (appeals).
- (7) Paragraph (8) applies where—
  - (a) M is a deferred choice member who enters into a remedial arrangement, and
  - (b) the end of the section 10 election period in relation to M passes and no section 10 election is made, or deemed to be made, in relation to M's remediable service.
- (8) Where this paragraph applies—
  - (a) the rights mentioned in paragraph (5)(a) are extinguished, and
  - (b) the scheme manager owes M or, where M is deceased, M's personal representatives the amount mentioned in paragraph (5)(b).