

## Ombudsman's Determination

Applicant	Mr T
Scheme	Principal Civil Service Pension Scheme ( <b>PCSPS</b> )
Respondents	MyCSP The Cabinet Office

## Outcome

1. I do not uphold Mr T's complaint and no further action is required by the Cabinet Office and MyCSP.
2. My reasons for reaching this decision are explained in more detail below.

## Complaint summary

3. Mr T has complained that since 2013, his annual statements from MyCSP have not included pension projections for retiring at age 55, 60 and 65.

## Background information, including submissions from the parties

4. On 27 February 2006, Mr T became an active member of the PCSPS. On 1 April 2015, the Alpha Scheme was introduced, and the majority of members in the PCSPS at that time were moved into it for future service, including Mr T. He has a tapered enrolment into the new Alpha Pension Scheme (**Alpha Scheme**) of 1 August 2020.
5. On 21 January 2016, Mr T emailed MyCSP and raised some queries in relation to his annual statement including why it did not provide projections for retiring at age 55, 60 and 65. MyCSP responded by email and explained that it was not possible to provide these projections.
6. Mr T emailed MyCSP on 25 January 2016. He explained he was not happy that pension projections were not included on the annual benefit statement and requested that his complaint was looked at by a senior administrator. MyCSP said the matter had been raised and would be investigated as part of a wider data improvement plan.

7. MyCSP sent an email to Mr T on 26 February 2016, and said it was unable to provide the projections in the 2015 statement, but that it was looking to improve the 2016 statements.
8. It would appear that no further action was taken until 6 July 2016, when MyCSP sent a further letter in relation to Mr T's benefit statement. MyCSP explained that it was not possible to provide him with projections because of the new Alpha Scheme being launched on 1 April 2015.
9. On 12 July 2016 MyCSP received an email from Mr T explaining that he had tried to contact it over the telephone, but was unable to get through. He explained he wanted to make a request to receive pension projections and said he would take his complaint further. On the same day an email was sent to Mr T to acknowledge receipt of his email. Later that day MyCSP telephoned Mr T to discuss his case. He explained he was unhappy that pension projections were no longer included in his statements. Mr T concluded that he would wait for the 2016 statements.
10. Mr T emailed MyCSP on 25 August 2016, as he believed the 2016 annual statement would have been with him by the end of the month but that he had not received anything.
11. On 31 August 2016, Mr T contacted MyCSP and said he did not feel as though his complaint had been addressed adequately.
12. On 2 September 2016, MyCSP explained that Mr T would need to go through the Internal Dispute Resolution Procedure (**IDRP**). It provided him with the application that he needed to complete. This was submitted by Mr T on 9 September 2016, and acknowledged on 12 September 2016.
13. MyCSP provided their stage one IDRP response on 14 November 2016. It explained that Mr T was currently in the premium section of the PCSPS, but as of 1 August 2020 he would become a member of the Alpha Scheme. As such it was not possible for MyCSP to provide projections of his benefits from age 55, 60 and 65. The letter explained that the Premium and Alpha sections had different retirement ages – 60 (Premium) and, in his case, 67 (Alpha). Therefore MyCSP could not provide him with a projection to a single pension age.
14. MyCSP said that a statement was scheduled to run from 14 November 2016 to 5 December 2016 and would be issued by his employer, but this would not contain the projections. It would provide an overview of his benefits. Under the Occupational and Personal Pension Schemes (disclosure of information) Regulations 2013 (**the Regulations**), there was no legislative requirement for MyCSP to provide the information that Mr T was requesting.
15. On 28 November 2016, MyCSP acknowledged Mr T's appeal under stage two of the IDRP. It explained that as Mr T had raised points which had not been addressed in the stage one IDRP letter, this would need to be addressed before stage two could be completed by the Cabinet Office.

16. MyCSP wrote to Mr T on 9 January 2017, to address the points he raised. It explained again that people who transition from PCSPS to the Alpha Scheme have two separate pension ages. It explained that Mr T did not need to wait until reaching age 67 to start taking his benefits. Mr T's normal retirement age is 60, with a minimum pension age of 55.
17. Mr T remained dissatisfied and requested that his complaint should be reviewed under stage two of the IDRP.
18. The Cabinet Office responded on 8 May 2017, and said the following:

“Regarding your complaint that the annual benefit statement did not provide you with projections of your pension at ages 55, 60 and 65, as MyCSP explained in this first decision, the information in your benefit statement is compliant with the Occupational Pensions Scheme (Disclosure of Information) Regulations 2013. There is no legal obligation for the pension scheme to provide members with a projection of future benefits.

Projections to ages 55, 60 and 65 are very dependent on assumptions. This is because it is not possible to accurately forecast an individual member's future earnings. The introduction of Alpha presents a further complication in trying to provide projections to those dates. The PCSPS' normal retirement age is 60 and Alpha's is based on your state pension age. Also, for those like yourself who will be moving or have moved from the PCSPS to Alpha, there are 42 different dates between 1 April 2015 and 1 February 2022 when individual members' PCSPS will end and their Alpha service will begin.

The Scheme is developing a pension modeller to produce illustrations of future benefits which will enable members to change assumptions to those appropriate to their personal situations. Members will be able to obtain illustrations that are more comprehensive and tailored than would be possible in a benefit statement.”

The Cabinet Office did not uphold the part of Mr T's complaint about pension projections.

19. Mr T wrote to the Pensions Ombudsman for his complaint to be independently reviewed.

## **Adjudicator's Opinion**

20. Mr T's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Cabinet Office and MyCSP. The Adjudicator's findings are summarised briefly below:-

- MyCSP and the Cabinet Office have explained that it was unable to provide Mr T with the retirement projections that he is requesting and have given perfectly valid reasons for this.
- MyCSP have complied with the Regulations. It has a duty to provide certain information to members. Mr T is entitled to receive a statement that shows what his benefits are and what he has built up during his pensionable service. MyCSP are not required to provide Mr T with pension projections.
- MyCSP have said it is developing a pension modeller that will produce illustrations of future pension benefits. This will enable members to obtain illustrations based on their personal circumstances. MyCSP are clearly working towards producing something that will eventually provide Mr T with the information he requires.

21. Mr T did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr T provided his further comments:

- He does not understand why the pension projections cannot be completed, he believes that MyCSP should be able to complete these; and
- He believes the new Alpha Scheme has led to him being disadvantaged and he cannot obtain the information he requires in order to make decision about his retirement;

I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr T for completeness.

## **Ombudsman's decision**

22. Mr T complains that MyCSP will not provide him with pension projections at various key ages.
23. Mr T says he does not understand why the pension projections cannot be completed. MyCSP and the Cabinet Office has both provided reasonable explanations as to why they cannot at present accurately forecast an individual's future pension. It is important that any overview of the current level of benefits which is provided to members is accurate. I cannot see that it would be helpful to anyone to base their retirement planning on figures that may not be correctly forecast.
24. The Regulations do not require trustees or managers to provide members with a projection of future benefits. MyCSP and the Cabinet Office are providing the information that they are legally obliged to, as set out in the Regulations, I cannot make a finding that it is maladministration for them not to provide the information Mr T requires.
25. I understand the reasons why Mr T would like the projections and I note that MyCSP and the Cabinet Office are in the process of developing a pension modeller that will provide Mr T with precisely the information he is requesting.

**PO-14067**

26. Mr T has said that he has been caused him significant distress and inconvenience as a result of not receiving the pension projections. However, I can only make an award for distress and inconvenience if I am satisfied there has been maladministration. I do not find that MyCSP and the Cabinet Office have done anything wrong. They are complying with the Regulations and have provided Mr T with responses in a timely manner whenever he has requested information relating to his complaint.
27. Therefore, I do not uphold Mr T's complaint.

**Karen Johnston**

Deputy Pensions Ombudsman  
29 September 2017

## **Appendix**

### **The Occupational and Personal Pension Schemes (disclosure of information) Regulations 2013**

#### **16 Statements of benefits: non money purchase benefits**

(1) The information mentioned in paragraph (2) must be given in accordance with this regulation where-

- (a) the member has rights to benefits that are not money purchase benefits,
- (b) the member requests that information,
- (c) information has not been given to that member under this regulation in the 12 months before that request, and
- (d) in relation to active members, a benefit information statement has not been provided pursuant to section 14(1) (information about benefits) of the 2013 Act in the 12 months before the request in sub-paragraph (b).

(2) The information is-

- (a) for active members, the information listed in Parts 1 and 2 of Schedule 5,
- (b) for deferred members, the information listed in Parts 2 and 3 of that Schedule,
- (c) for pension credit members, the information listed in Part 4 of that Schedule.

(3) The information must be given as soon as practicable but no more than two months after the date the request is made.

(4) In this regulation "pension credit member" means a person who has rights under the scheme that are attributable (directly or indirectly) to a credit under section 29(1)(b) of the 1999 Act (creation of pension debits and credits) or under article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999.

#### **Schedule 5**

##### **Statements of benefits: non money purchase benefits**

###### **Part 1**

###### **Information for active members**

1 The amount of any benefits (and how they are calculated) that would be payable on a date specified by the trustees or managers of the scheme if the member of the scheme were to die in service.

2 One of the following amounts, chosen by the trustees or managers of the scheme, of the member's benefits and survivors' benefits calculated without regard to possible increases in the member's salary-

**PO-14067**

- (a) the amounts that would be payable from the date benefits are payable if pensionable service were to end on a date specified by the trustees or managers of the scheme,
- (b) the amounts that would be payable from the date benefits are payable if pensionable service were to end on the member attaining normal pension age, or
- (c) the amounts that would be payable from the date benefits are payable if pensionable service were to end on a date agreed between the member and the trustees or managers of the scheme.

3 The amount of the member's pensionable remuneration on a date specified by the trustees or managers of the scheme.