

28 Mar 2025

2015 Pension Remedy – Medical Officer and Dental Officer (MODO) Bonus - FAQs

How is the AFPS 2005 MODO bonus affected by the Pensions Remedy?

Background

The AFPS 05 MODO Bonus scheme originally came to an end in Apr 15 when AFPS 15 was introduced and all members who were more than ten years from their normal retirement age were moved into AFPS 15.

However, some MODOs received bonus payments after the introduction of AFPS 15.

At the time, MODOs who received these bonus payments were not entitled to them because AFPS 15 does not have a bonus scheme. Accordingly, these MODOs were advised of this overpayment and informed that they would be required to pay it back.

Further action was paused pending the outcome of the ‘McCloud’ legal case (Dec 18) which successfully challenged the transitional arrangements of the 2015 scheme. Subsequently, the Public Service Pensions and Judicial Offices Act 2022 came into force (PSPJOA). PSPJOA established what we now know as the “2015 Pension Remedy”.

The 2015 Pension Remedy sets out how public pension schemes must deal with a wide range of issues including how scheme members:

- are “**rolled back**” into their legacy schemes (e.g. AFPS 05);
- can elect to receive either legacy (AFPS 05 / EDP 05) style benefits or new scheme (AFPS 15 / EDP 15) style benefits.

Current Situation

If you are a MODO in scope for remedy:

- Your service between 1 Apr 15-31 Mar 22 has been ‘rolled back’ to AFPS 05.
- This cancelled out any overpayment we may have written to you about.
- If you were under-paid bonus, this was refunded to you in Oct/ Nov 24 and was paid with 8% interest.
- AFPS 05 was closed on 31 Mar 22. All service since 1 Apr 22 has been on AFPS 15.
- All MODOs are now in receipt of the correct amount of bonus.

Next Steps

Like all in-scope members, as you approach your pension due date you will be given a choice of which benefits to receive for your service in the remedy period. For MODOs there is a significant difference between the two choices.

Q1. What are my choices?

When remedy members come to claim their pension benefits, they will be given the choice of electing for legacy (i.e. AFPS 05/EDP 05 style) or AFPS 15/EDP 15 style benefits for service in the remedy period. The value of the two options will be outlined in detail in Remediable Service Statements (RSS).

Q2. If I elect for AFPS 05/EDP 05 style benefits what happens to my MODO bonus?

Nothing. You retain your bonus in full, there is no repayment and no interest.

Q3. If I elect for AFPS 2015/EDP 15 style benefits what happens to my MODO bonus?

If a MODO chooses AFPS 15/EDP 15 style benefits, they will no longer be entitled to the full bonus, and will instead be entitled to a pro rata amount, calculated on the same principle as their pension benefits, i.e. as if they had moved to the AFPS 15 on 1 April 2015. AFPS 2015 does not have a MODO bonus scheme so you will be required to pay back the portion of bonus that relates to your period of service in the remedy period, this will include interest.

Q4. What interest will I be charged if I elect for AFPS 15/EDP 15 style benefits?

Where an overpayment arises because the remedy member has chosen AFPS 15/EDP 15 style benefits, the MOD will recover the portion of the bonus relating to the remedy period and will levy interest on that overpayment. Where interest is levied, the rate of interest will be clearly illustrated on the RSS and other member communications as appropriate.

Interest is charged on a compound basis. The current rate is shown at this link [NS&I Saver rate](#). The rates applicable throughout the Remedy Period are in the table below:

Effective from	Rate	Effective from	Rate
05 Mar 25	3.30%	21 Jul 22	1.20%
20 Dec 24	3.50%	10 Feb 22	0.50%
20 Nov 24	3.75%	29 Dec 21	0.35%
23 May 24	4.00%	24 Nov 20	0.15%
18 Aug 23	3.65%	1 Oct 18	1.00%
13 Jul 23	3.40%	1 Dec 17	0.95%
14 Feb 23	2.85%	1 May 17	0.70%
24 Jan 23	2.60%	6 Jun 16	0.80%
13 Dec 22	2.30%	1 Apr 15	1.10%
25 Oct 22	1.80%		

Q5. Can I repay the overpayment early to avoid building up interest, allowing me to elect for AFPS 2015 style benefits.

No. Currently no overpayment exists, and you are in receipt of the correct bonus as originally applied for. **The overpayment is only created if you elect for AFPS 2015 style benefits** and, for serving and deferred members, the remedy election can only be made when pension benefits become payable.

Q6. Why doesn't my annual RSS outline the cost of paying back the bonus if I choose AFPS 15/EDP 15?

The interest rate that has to be applied is a variable rate. Any prediction would be misleading and inaccurate. This detail will be in your election RSS.

Q7. Do I need to take financial advice to work out my bonus?

We will send an election RSS in advance of your pension becoming due for payment, detailing the financial impacts of your choices to help you make your election. We are not providing you with any financial, legal or tax advice. If you have any doubts as to the effect of the choices outlined in the RSS on your wider personal finances, you may wish to seek independent financial advice.