

FDA guidance on bridging loans for pensioners and partial retirees



Your union continues to hold the Cabinet Office and Capita Solutions Ltd to account for the service failures of the civil service pension scheme administration. Through effective lobbying and negotiations, and listening to the financial difficulties colleagues are facing through the non-receipt of their pension, the FDA has helped to secure the payment of interest-free bridging loans to address hardship.

Below is a summary of the instructions issued to HR and Finance functions to employers who offer the Civil Service Pension Scheme offering transitional personal hardship loans to current and recently retired employees facing financial hardship due to pension delays.

Loan Purpose and Eligibility

- The transitional loan aims to assist employees who have partially retired or retired since 1st January 2025 and are awaiting pension benefits.
- The loan is interest-free, capped at £5,000, with an exceptions process for higher amounts if justified.
- This arrangement is temporary, valid until the end of the 2025/26 financial year with a repayment plan linked to receipt of pension arrears.

Application Process

- Employees must complete a standardised loan agreement available from their HR and Finance functions.
- Applications should be processed by at least two decision-makers, including one at Senior Civil Service (SCS) level, ensuring timely communication of decisions.
- Loans must be disbursed within five working days of agreement.

Loan Approval and Repayment

- Approval is based on the applicant's claim of financial impact due to pension delays, without requiring detailed financial statements or credit checks.
- Repayment is due within 28 days of receiving pension benefits or by 31 March 2027, with options for monthly repayment plans if requested.

Record Keeping and Compliance

- Departments and employees must maintain comprehensive records of loan applications, decisions, and repayments, adhering to data protection regulations.
- Fraud prevention measures are an essential component, including verification of bank details and identification.

Supporting you

Should any FDA member who is eligible to apply for a hardship loan experience any issues they should email their National Officer ([FDA in my workplace](#)) or, alternatively, the FDA Pensions team at pensions@fda.org.uk