

McCloud court case – FAQs for LGPS Members

What is the McCloud court case about?

When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them.

The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgment' after a member of the Judges' Pension Scheme involved in the case.

What does it mean for the LGPS?

When the LGPS changed from a final salary to a career average pension scheme in 2014, members who were within 10 years of their Normal Pension Age (usually age 65) on 1 April 2012 were provided with a protection called the 'underpin'. When a protected member takes their pension, the benefits payable under the career average and final salary schemes are compared and the higher amount is paid.

The Government will need to provide younger members with a protection equal to the underpin protection provided to older members in order to remove the discrimination. It recently consulted on the changes that need to be made to do this. The public consultation on the proposed changes closed on 8 October 2020. The Government is currently analysing the responses.

Will the changes apply to me?

The Government intend for the changes to apply to members who were in service on 31 March 2012 and also have service after 31 March 2014 (without a break of more than five years).

If you left the scheme before 1 April 2014 you built up benefits in the final salary scheme only. These changes will not affect your pension.

Will my pension increase?

Most members are unlikely to see an increase to their pension, and where an increase is applied, it is likely to be small. This is because most members will build up a higher pension in the career average pension scheme than they would have under the final salary scheme.

When will the changes come into effect?

We do not expect any changes to be introduced before April 2022.

What do I need to do?

You do not need to take any action. The Government has confirmed that members who qualify for protection do not need to make a claim for the changes to apply to them.

I have already left the LGPS, will the changes apply to me?

If you qualify for protection and have membership in the LGPS after 31 March 2014 the changes will apply to you, even if you have left the scheme.

I have taken payment of my LGPS pension, will the changes apply to me?

If you qualify for protection and have membership in the LGPS after 31 March 2014 the changes will apply to you, even if you are receiving your pension from the LGPS.