

McCloud Judgment FAQs

When the LGPS in Scotland changed from a final salary to a career average pension scheme in 2015, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. 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'.

The Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS. This means it has not been possible to reflect the impact of the judgment in your annual benefit statement this year. If you qualify for protection it will apply automatically - you do not need to make a claim. For more information, see the frequently asked questions below.

What is the McCloud court case about?

When the Government reformed public service pension schemes in which came in to force on 1 April 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 had been discriminated against because the protections don't apply to them.

The Government has confirmed that there'll 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 2015, 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 is currently considering exactly what changes need to be made to do this.

Will the changes apply to me?

The Government will confirm which members they intend the changes to apply to when they publish a consultation on removing the discrimination this summer. However, it is worth noting that the discrimination identified by the courts relates to the different treatment applied to members who were in service on 31 March 2012.

If you left the scheme before 1 April 2015 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 will know more about when the changes are likely to take effect this summer, when the Government publishes its consultation on removing the discrimination. 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.

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