

**Local Government Pension Scheme rule change – the McCloud judgment**

**What is McCloud?**

When the Government reformed public service pension schemes in 2014 and 2015, older members were protected from the changes. In December 2018, the Courts ruled that younger members of the judges’ and firefighters’ pension schemes had been discriminated against because the protections did not apply to them.

This ruling is called the McCloud judgment after a member of the judges’ pension scheme involved in the case.

The rules of all public service pension schemes, including the Local Government Pension Scheme (LGPS), changed from 1 October 2023 because of the ruling. The changes are known as the McCloud remedy and they remove the age discrimination found in the McCloud judgment.

In the LGPS, older members were protected by the underpin. When a protected member retired, their pension in the career average scheme was compared with the pension they would have built up in the final salary scheme. If the final salary pension would have been higher, their pension increased.

From 1 October 2023, eligible younger members are also protected by the underpin. Not all LGPS members are eligible for protection. The underpin will protect the pensions of eligible members that they built up in the remedy period. The remedy period is from 1 April 2014 to 31 March 2022. Underpin protection stopped earlier if you left the LGPS or reached your final salary normal pension age before 31 March 2022.

**What do you need to do?**

You do not need to take any action if you have never been a member of any other public service pension scheme.

A public service pension scheme is a pension scheme covering civil servants, the judiciary, the armed forces, teachers, health service workers, fire and rescue workers, members of the police forces, any scheme in England, Wales or Scotland covering local government workers or membership of a new public body pension scheme.

If you were a member of any of these schemes before 1 April 2012 you need to send us details of your membership so that we can check if you should be protected by the underpin or not. **Please only complete and return the enclosed ‘Public Service Pension Scheme’ form if you have been a member of another public service pension scheme.** It’s important you do this as soon as possible as the information could affect the level of pension you receive from the LGPS.

If we don’t receive a completed form from you we will assume that you have never been a member of another public service pension scheme.

If you are protected when you take your pension, we will work out if it will increase because of the underpin. Any increase is known as a final guarantee amount.

Not many members will get a final guarantee amount because, for most members, the pension they built up in the career average scheme is higher than they would have built up in the final salary scheme.

**Active members**

An active member is an employee who is currently paying pension contributions to the LGPS.

If you are a protected active member, we will include information about how the underpin might affect your pension in your 2025 annual benefit statement. We must issue this by 31 August 2025.

If you leave the LGPS, we will work out a provisional underpin figure for you. We can only work out the final figure and any increase to your pension (the final guarantee amount) when you take your pension.

**Deferred members**

A deferred member is a member with more than two years membership who has left the LGPS before pension benefits can be paid (before age 55). A deferred benefit is a pension benefit that is held in the LGPS until it becomes payable or is transferred out of the Fund.

If you are a protected deferred member, we will include information about how the underpin might affect your pension in your 2025 annual benefit statement. We must issue this by 31 August 2025.

We will work out final figures and any increase to your pension (the final guarantee amount) when you take your pension.

**Pensioner members**

A pensioner member is a member who is receiving payment of their pension from the LGPS.

If you are protected and your LGPS pension is already being paid to you, we will work out if your pension will increase. We will do this as soon as we can but reviewing all pensions in payment will take some time.

Please be assured that we will contact anyone whose pension in payment will increase because of the McCloud remedy. **We will only write to you if the new rules mean that your pension will increase.**

**Find out more**

You can find out more about the judgment by reading the McCloud member factsheet / McCloud pages of the national LGPS member website(England and Wales: [www.lgpsmember.org/mccloud-remedy/](http://www.lgpsmember.org/mccloud-remedy/), Scotland: [www.scotlgpsmember.org/mccloud-remedy/](http://www.scotlgpsmember.org/mccloud-remedy/))].

**You do not need to contact us unless you have been a member of another public service pension scheme and then it’s important that you return the ‘Public Service Pension Scheme’ form as soon as possible.**