

Local Government Pension Scheme Bulletin



Issue 5

24th August 2023

The McCloud Remedy

Legislation in respect of the McCloud judgment comes into force on 1st October. The Department for Levelling Up, Housing and Communities (DLUHC) have developed a factsheet summarising the changes that will be made to the LGPS as a result of the judgment. Please find the factsheet attached to this bulletin.

One of the changes is a requirement to calculate the level of pension that an eligible scheme member would have received under pre-2014 legislation and then compare this amount to the benefits due under the 2014 rules. If the level of pension calculated under the old legislation is higher, then the difference between the two amounts is paid to the member.

For most eligible members, the calculation of pension under the old rules will be based on 'final pay' at a member's leaving date, and employers already provide this as part of the standard requirements when submitting the ePen3 leavers form.

However, for members who are aged 65 or over, the final pay is calculated up to the day before the member reaches aged 65. This an **additional** final pay figure that is required and will need to be submitted at the time of the members 65th birthday, not at the date of leaving, which could be several years later.

Although the ruling comes into effect on 1st October 2023, it will be backdated to 1st April 2014, meaning that we will require a final pay figure for any active eligible members who are already aged 65 or over.

These members are identified through the i-Connect submission and tasks are generated on the i-Connect payroll dashboard. Instructions on how to submit the Final pay data via i-Connect and a calculation guide can be found alongside this bulletin.

The deadline for submitting the outstanding final pay figures is 31st December 2023. However if an eligible member leaves employment prior to this date, the information will be required sooner and a member of the team will contact you to request the information.

In future any eligible members approaching age 65 will appear on the i-Connect dashboard approximately six months prior to their 65th birthday. You will receive an email notifying you of any new cases that appear.

If you do not upload the i-Connect reports yourselves and use an external payroll provider, please inform them of our requirements.

Further information regarding the McCloud ruling will be supplied to employers and members once the final legislation is received, which is expected in September.

Should you have any questions or queries arising from this document, please contact Dean Campbell on 0116 305 5862 or dean.campbell@leics.gov.uk

Regards,
Ian Howe

Pensions Manager