



2020 Pensions Bulletin

Bulletin 8: McCloud/Sargeant Judgement

Potential re-calculation of pension benefits for every leaver since April 2014

Important notice to ALL Employers:

I would like to refer you back to my Pension Bulletin number 14 (2019) which was issued in November 2019. In that bulletin I wrote about a legal challenge to all Public Sector Pension Schemes regarding the move to Career Average Revalued Earnings schemes (CARE). In essence it has been decided that all employees, who were active members of the Local Government Pension Scheme (LGPS) on 31st March 2012, will have final salary service protection when their pension benefits are calculated when they leave the scheme, regardless of their age. This protection is designed to ensure that a member cannot be worse off under the CARE scheme than they would have been if they had remained in the old 'final salary scheme'.

How this level of protection will work in practice is still not yet known, but it is highly likely that any remedy that is agreed will involve employers having to provide details of all hours changes and service break information for their scheme members since 1st April 2014, in order to recreate final salary service records for members.

Therefore, at this stage I need to be sure that all Leicestershire County Council Pension Fund Employers/payroll providers, will have appropriate measures in place to provide the relevant information, when requested, to meet these requirements. This includes Employers who have changed their payroll providers since April 2014. I would very much appreciate your comments if you feel unable to provide us with this information, and if so, please explain why.

Can I ask that you please contact either derrick.edwards@leics.gov.uk or lan.howe@leics.gov.uk with your comments.

I would also like to take this opportunity to reiterate that any LGPS member who may be affected **by the McCloud judgement will NOT need to make an employment tribunal claim.**

It has become apparent that some claims companies are actively encouraging LGPS members to lodge an employment tribunal claim. These claims could be costly and are unnecessary because, anyone who has been affected by the McCloud judgement, will automatically benefit from any protection that's provided. Scheme members do not need to make an employment tribunal claim to secure their entitlement.

Regards Ian Howe Pensions Manager