

## McCloud Remedy Transcript

0:00 – 0:08

thank you for joining us this morning hopefully everybody can hear me um yes uh if you have any

0:08 – 0:13

questions as we go through please drop them in the chat or raise your hand and we'll try our best to

0:13 – 0:20

answer those we'll also take questions at the end um the session this morning is being recorded um

0:20 – 0:28

and as I've said we'll email those out afterwards um the areas that I want to look at this morning

0:28 – 0:34

is to explain a bit of the background to McCloud for anybody that isn't familiar with it to run

0:34 – 0:39

through at a very high level who is affected by McCloud to describe what has changed and that's

0:39 – 0:46

really what has changed to do with the underpin from the first consultation back in 2020 to the

0:46 – 0:53

more recent consultation in July 2023 and then we had regulations made bringing in the new underpin

0:53 – 0:59

uh from the first of October I'll explain how the underpin works talk about who is likely to benefit

0:59 – 1:06

um what we need employers to do what members will be doing and then finally we'll just

1:06 – 1:12

finish with what NILGOSC is doing I'm estimating this will probably take about 30 minutes um so

1:12 – 1:20

it shouldn't be that that long a session um so the first thing really is the background and as

1:20 – 1:26

probably everyone here knows when public service pension schemes were reformed in 2015 that changed

1:26 – 1:32

them from a final salary scheme to a career average scheme and at the time there was quite

1:32 – 1:39

a bit of consultation over the Scheme and it was finally agreed that there would be protection put

1:39 – 1:46

in place for older members and in local government scheme that was for anybody aged 55 or over on the

1:46 – 1:56

31st of March 2012 um since that date then in 2018 the courts uh looked at the younger members of the

1:56 – 2:06

judges and the firefighters pension schemes and found that they had been discriminated or there was age discrimination there um the Government then came out at a later date and said they would

2:06 – 2:12

make changes to all public service pension schemes including the local government scheme to remove

2:12 – 2:19

that discrimination um the regulations then were finally made on the 28th of September um by the

2:19 – 2:25

skin of the Department's teeth and they became operational from the 1st of October and what

2:25 – 2:30

we saw with these changes and consultations throughout is that the McCloud Remedy itself

2:30 – 2:37

changed so instead of the protection or not the Remedy the underpin changed so instead of

2:37 – 2:43

the underpin being a protection that was just for older members it's now been extended to be right

2:43 – 2:49

across all the members in the Scheme providing they're eligible and not only has it increased

2:49 – 3:00

the number of members that are eligible but there have also been some quite significant changes to the underpin itself um if you imagine the underpin is there every time you compare a final salary

3:00 – 3:06

versus CARE um so it's a bit like sometimes I think of it like an octopus that has almost got

3:06 – 3:11

its tendrils into every calculation that we do and that gives you some idea of how complicated this

3:11 – 3:18

is going to be to administer um so that that's on the background the most important thing then who

3:18 – 3:25

is affected um we've heard an awful lot about the underpin it doesn't affect everyone it it's only

3:25 – 3:31

certain people that are eligible for the underpin and they fall into this list that I've set out in

3:31 – 3:36

the slide below and from NILGOSCs perspective the first thing we'll be looking at is was the person

3:36 – 3:45

in our Scheme paying into it at some point between the 1st of April 2015 and the 31st of March 22 and

3:45 – 3:51

that period is really key to the underpin because that is all that we are really looking at for

3:51 – 3:58

comparing final salary versus CARE so it's known sometimes as the Remedy period we would sometimes

3:58 – 4:05

refer to it as the underpin period the next thing or criteria is that the member must have been

4:05 – 4:13

paying into either the LGPS or another UK public service pension scheme at some point before the 1

4:13 – 4:22

of April 2012 now in our old underpin that was restricted to paying into the local government

4:22 – 4:28

pension scheme so we didn't have to look beyond the local government scheme and when you hear it

4:28 – 4:33

me may be talking about the scope of the underpin is increased this is partly why now we're going

4:33 – 4:40

to have to speak to all the other public service pension schemes if someone has service in them

4:40 – 4:45

at before the first of April and really verify what that service is to be sure that they are

4:45 – 4:53

eligible for the McCloud Remedy uh and it's it means a much greater uh data collection exercise

4:53 – 5:04

for us um the next thing is the person cannot have had a disqualifying break and what that's saying

5:04 – 5:09

is they can't have had a break of more than five years from the date that they qualified

5:09 – 5:15

Under the pre first of April 2012 membership to the date that they started the membership

5:15 – 5:25

that they're qualifying in the between April 2015 and 2022 membership so for example if somebody um

5:25 – 5:34

let me see left was in the civil service scheme in 2008 and did or left it in 2008 joined the

5:34 – 5:41

local government scheme in 2018 that's a break of 10 years so that would be a disqualifying break

5:41 – 5:46

and even though they would have service in our Scheme between April 2015 and 2022 they wouldn't

5:46 – 5:54

be eligible for the underpin if that person had left the civil service scheme back in 2008 and

5:54 – 6:00

went to work for another public or joined another public service scheme in that period then you

6:00 – 6:06

could find that they wouldn't have this continuous break um so that that's going to be something that

6:06 – 6:12

would be quite hard to pick up and I think will be difficult for members to understand and the last

6:12 – 6:20

thing is the person has to have been under their final salary normal retirement age uh During the

6:20 – 6:26

period between the 1st of April 2015 and the 31st of March 2022 in our Scheme or for this

6:26 – 6:31

McCloud Remedy what is used as the final salary normal retirement age is what would have been

6:31 – 6:39

the normal retirement age under the final salary scheme so it's age 65 um so if it's a member and

6:39 – 6:46

they were 65 before the first of April they're not eligible for the McCloud Remedy at all um if

6:46 – 6:53

they became reached 65 some point at some point in between the two then they could be eligible

6:53 – 6:59

um but if you're eligible if you were 65 before the 1st of April 2015 you aren't affected by the

6:59 – 7:04

McCloud Remedy um so as you can see it's it's not straightforward whenever you begin to look at a

7:04 – 7:11

member to determine whether they're eligible for the McCloud Remedy or not um and some of

7:11 – 7:17

the information we will have from our own records in other cases we won't you know we wouldn't know

7:17 – 7:22

if somebody had been in the civil service scheme before 2012 or the health scheme or the police um

7:22 – 7:29

and that's what we will need members to tell us if it's a case where we can tell from our own records

7:29 – 7:35

then we won't be asking members for that extra information um whenever the underpin was first

7:35 – 7:44

introduced in 2015 it only applied on a per record basis so if you somebody that had several records

7:44 – 7:50

we would only have been looking at the record they would only have been eligible in any one record

7:50 – 7:58

um so they' have had to meet all the conditions in one record now when the underpin has been expanded

7:58 – 8:03

um the rules say that the the member doesn't have to aggregate or combine their records in order to

8:03 – 8:09

benefit so we have to also look across multiple records to determine whether they meet these

8:09 – 8:15

eligibility rules so it isn't just one record it's looking across all the records with us and

8:15 – 8:29

if they're not eligible under that then we're having to look to other public service pension schemes so it's a bit of a a bit of a challenge let's say uh so that's the eligibility criteria

8:29 – 8:35

um what has changed again that's just sort of reemphasizing what I've already said the

8:35 – 8:42

member doesn't have to combine their records to be eligible um and we have to look outside the local

8:42 – 8:56

government scheme to see if they were paying into another Scheme before the first of April 2012 so assuming we find someone who is eligible um and don't get me wrong we do have a lot of

8:56 – 9:02

members that we can already identify as being eligible we have I think over 36,000 people we

9:02 – 9:08

know are eligible in one record and we have about 14,000 people that are eligible across multiple

9:08 – 9:15

records so that's just within what we know um and then there will be probably another possibly 40 to

9:15 – 9:22

50,000 people we may need to write to to ask if they've membership in another Scheme so how



9:22 – 9:33

does it work the underpin in this Remedy is a two-step process and the first thing you do is

9:33 – 9:39

you calculate a provisional underpin and that happens when somebody leaves the Scheme before

9:39 – 9:44

they take their pension so it might be somebody leaving employment with you going to work for

9:44 – 9:55

someone else and their benefits in the local government scheme are deferred so you would calculate a provisional underpin at that point or if they keep working right through with you

9:55 – 10:03

and they're beyond age 65 you must calculate the provisional underpin at age 65 and that's because

10:03 – 10:11

under the final salary rules that would have been their normal retirement age um if you leave early

10:11 – 10:19

and you take your pension before 65 that would be your provisional underpin date and also your final

10:19 – 10:26

underpin date so you could have the two combined so at the provisional date we work out what their

10:26 – 10:31

final salary pension would have been for that Remedy period from the 1st of April 2015 through

10:31 – 10:39

to March 2022 and we work out their CARE pension for the same period the two get compared if the

10:39 – 10:45

final salary benefit would have been higher then that person would be entitled to a provisional

10:45 – 10:50

underpin they would have been better off in the final salary scheme if it's lower then there's no

10:50 – 10:57

underpin now I should I should have maybe said earlier the local government scheme is unique

10:57 – 11:03

among the public sector schemes in the that it has an underpin and by virtue of the underpin it

11:03 – 11:10

means the member needs to do really nothing by making a choice as to what they get the

11:10 – 11:16

rules of our Scheme are that we will pay them the higher benefit for that period so in other public

11:16 – 11:22

sector schemes people have to make a choice and you will hear about a deferred choice that does

11:22 – 11:29

not apply to the local government scheme so we've got this person they're leaving this Scheme before

11:29 – 11:34

they take their pension or they've hit age 65 and we've worked out their provisional underpin that's

11:34 – 11:40

a bit like a marker in the sand it says they're eligible and we know from that whether we think

11:40 – 11:46

they're going to get a guarantee amount or not when they finally take their pension and this bit

11:46 – 11:55

is new we have to then go back to that provisional underpin figure that say was calculated at 65 and

11:55 – 12:02

work out and adjust that to what what applies now when they're taking their pension benefits

12:02 – 12:08

so the final underpin is always at the point you take your benefits and the reason that we have

12:08 – 12:16

to do that now is that the underpin includes late retirement increases and early retirement

12:16 – 12:22

reductions you also have to include any pension increase that may have applied um so if you've

12:22 – 12:28

somebody that maybe had a provisional underpin calculated at 65 they're then finally taking their

12:28 – 12:36

pension at 68 we would have to add in those extra three years increases to the final salary bit and

12:36 – 12:45

there would be a smaller increase applied to the CARE bit um so it it certainly has it certainly

12:45 – 12:52

has complicated the underpin calculations quite a bit and then whenever you take this into account

12:52 – 13:02

you've adjusted this underpin if what what they would have had under the final salary scheme would have been higher then they get a final guaranteed amount and that is added to their

13:02 – 13:08

pension and paid out the member doesn't have to decide whether they want it or not if the

13:08 – 13:14

CARE benefit would have been higher then there is no underpin applying and they just get the CARE

13:14 – 13:20

pension okay hope hopefully that made sense

13:20 – 13:28

um to give you as suppose a better idea of how this works and I apologize if you're really

13:28 – 13:35

familiar with CARE pensions now and understand it perfectly um the period we're talking about

13:35 – 13:43

runs from 2015 to 2022 and under the new CARE scheme each year somebody builds up some pension

13:43 – 13:48

towards their final pension and in this example I've assumed that over the seven-year period the

13:48 – 13:56

underpin period this person's pay is going from 27,000 up to 30,000 and I've just for simplicity

13:56 – 14:04

used a 500 Pound increase each year so you see in the first year their pay's 27,000 in the CARE

14:04 – 14:13

scheme you build up a 49th of your pay towards your pension so 49th of 27,000 is 551 pounds at

14:13 – 14:18

the end of the year they get revaluation now some of you may remember back in 2015/2016 that

14:18 – 14:30

was actually a negative figure um so at the end of that year that person's pension was adjusted downwards very slightly that balance then became the opening balance for the next year pay had gone

14:30 – 14:40

up another 561 pounds went in the total pension built up was 111 - 111 revaluation that year was

14:40 – 14:47

1% and they ended the year with 1,122 and so it goes on year on year and then you can see in the

14:47 – 14:57

last year the increase was 3.1% giving that person a closing pension of 4,389 so for the purposes of

14:57 – 15:05

our underpin comparison we'll be comparing the 4,389 against what they would have built up in

15:05 – 15:11

the final salary scheme for the same period And for those who are familiar with the final salary

15:11 – 15:18

scheme you use the final year's pay it really was quite simple now when we look back so the person

15:18 – 15:24

has seven years service in the final salary scheme the accrual rate was lower it was a 60th not a

15:24 – 15:34

49th times the 37 or the 30,000 gives that person an annual pension of 3,500 so you can see straight

15:34 – 15:41

away on a very basic comparison between final salary and Care the CARE pension actually provided

15:41 – 15:48

a higher benefit a higher pension if the person was to end up with the final salary benefits being

15:48 – 15:54

higher and I've done a calculation at the bottom they would have needed a final salary pay of

15:54 – 16:04

37,000 I - 15 instead of the 30,000 so it's about a 25% higher pay in order to get uh the same level of

16:04 – 16:16

pension so from that you can see you really need quite a significant increase in your final salary

16:16 – 16:27

pay for it to outweigh the benefits under CARE so who is likely to benefit from the McCloud Remedy

16:27 – 16:33

it it would seem that most members are unlikely to very few will have an increase because they will

16:33 – 16:39

have built up a higher pension in the CARE scheme than they will in the final salary we've run very

16:39 – 16:46

high level calculations across I think it was about 27,000 members who we know are eligible for

16:46 – 16:53

the Remedy and our programming now our programming isn't complete yet but our programming was

16:53 – 17:03

indicating about 400 people of those 27,000 could have an underpin so it really is a very small

17:03 – 17:11

number of people those who could get an increase if you've had a significant increase in your pay

17:11 – 17:18

late in your career um that could result in an underpin but again as you've seen from the slide

17:18 – 17:26

before you're looking at a pay increase it's more than 25% probably if somebody transferred benefits

17:26 – 17:32

into us and that would really be a club transfer so it's a transfer from another uh public service

17:32 – 17:37

scheme and their pay with the local government scheme is much higher than the pay they left the

17:37 – 17:43

other Scheme then that person would usually on a transfer like that you get year for year service

17:43 – 17:49

so if that person had seven years in their old Scheme on a pay of 30,000 and they've moved for

17:49 – 17:56

a pay of 50,000 then they're putting that seven years on a 50,000 pay so it's likely they would

17:56 – 18:03

uh benefit from an underpin um the next one I'll try and explain in another slide it's if somebody

18:03 – 18:09

is taking their pension early and they're getting early retirement reductions and their state

18:09 – 18:16

pension is over 65 they could get an increase and it's really because of how the there are different

18:16 – 18:22

early retirement reduction factors applied to final salary from CARE um but I'll do that in

18:22 – 18:28

the next slide the other person that might get an underpin is somebody leaving this Scheme and

18:28 – 18:34

the best of the last three years pay applies to them um for those of you familiar with the final

18:34 – 18:41

salary scheme it was always either your pay in the last 12 months of employment or the previous two

18:41 – 18:47

years if that resulted in a higher pay if you're using an earlier pay then you're applying pensions

18:47 – 18:56

increase and that could outweigh the CARE increase um so so those are really the four circumstances

18:56 – 19:04

where we think an increase is more likely it's certainly not guaranteed um these new regulations



19:04 – 19:12

came in from the first of October from that point for anybody going on pension or retiring we have

19:12 – 19:19

been doing these underpin calculations and we've only seen one person who has had an underpin and

19:19 – 19:25

that person both had a significant increase in pay I think their pay had gone from about 30,000

19:25 – 19:32

to 60,000 in their last year um where they had moved employment and they had 12 months at the

19:32 – 19:39

60,000 pay and they also fell under the third bullet where they were taking their pension

19:39 – 19:45

early and they had a state pension age over 65 so they got an underpin but there were two of those

19:45 – 19:52

bullet points actually applied to them um and that's the only case actual case we've seen so

19:52 – 20:04

far in the previous slide I had said about the impact of early and late retirement factors and

20:04 – 20:09

the key thing to understand here is under the final salary scheme the normal pension age is

20:09 – 20:18

65 so if you went at 64 you had a one year's reduction an early retirement reduction if you

20:18 – 20:25

went at 66 you would have had a late retirement increase for one year whenever the new Schemes

20:25 – 20:32

were introduced in 2015 the CARE scheme someone's normal pension age became their state pension age

20:32 – 20:41

so now we have a range of if you like retirement ages minus 67 um in this example I've assumed we

20:41 – 20:48

have someone whose state pension age is 66 and they retire at age 65 so when you look at the

20:48 – 20:55

final salary bit for comparison purposes that is payable from 65 so that person at age 65

20:55 – 21:03

has neither reductions nor increases they just get their 5,000 pounds for their CARE element

21:03 – 21:11

um they would have I've assumed they've built up 5,200 per year pension but under the CARE scheme

21:11 – 21:20

their normal retirement age is age 66 so if that person takes it at age 65 they're due one year

21:20 – 21:31

of early retirement reductions on their CARE pension it shouldn't have been paid out until 66 if you're paying it out early it's going to be reduced so you compare the two and you apply

21:31 – 21:37

the early retirement reduction to the CARE element and this is like the second step in that underpin

21:37 – 21:44

calculation um for somebody going one year early it's a 5% reduction if it was me going two years

21:44 – 21:53

early I'd be getting um a 10% reduction it isn't quite a straight line for the reductions um so you

21:53 – 22:01

apply a 5% reduction to the 5,200 pounds that's 260 pounds comes off so you can see that reduces

22:01 – 22:10

the CARE pension to 4,940 it now is lower than the person's final salary pension so that person

22:10 – 22:16

would get a guaranteed addition they would have an underpin addition to their pension okay of the

22:16 – 22:23

difference hope hopefully that explains how these early retirement reductions and late retirement

22:23 – 22:30

increases interact um because of that we will see more people coming within the scope of the

22:30 – 22:36

underpin um and I think that's quite important to note is that it isn't just that the underpin has

22:36 – 22:43

been opened up to everybody who's under 55 but you also have this additional uh if you like interplay

22:43 – 22:51

between early and late retirement factors that could mean more people will benefit from it so

22:51 – 22:58

how many members are eligible um I've already said with 36,000 members that we know are eligible in

22:58 – 23:04

one record for those people we knew back in 2020 from the consultation that we would need to have

23:04 – 23:12

to collect hours and service breaks for them for the period from April 2015 through to March 2022

23:12 – 23:18

we went out to all our employers I think it maybe took about 18 months to gather all the hours the

23:18 – 23:26

historical hours um and those have been put on to member records as you've seen from the slides that

23:26 – 23:31

we've already been through we now need a final salary pay at age 65 for anybody that's worked

23:31 – 23:38

on beyond 65 so we're going to have to go back to employers and gather that pay um at the moment

23:38 – 23:44

we've created a calculator to help employers and that should be ready to release within the next

23:44 – 23:51

few weeks um as far as the number of members that we've to collect that retrospective pay I think

23:51 – 23:58

it's just under 4,000 members so the employers with those staff will be getting letters or

23:58 – 24:07

spreadsheets from us asking for that information the next group of members are the 14,000 who are

24:07 – 24:14

eligible when we look across all the records with NILGOSC before under the old underpin we thought

24:14 – 24:20

it was only on a per record basis so we haven't collected the hours and service breaks for these

24:20 – 24:27

people and within the next few weeks we'll be issuing spreadsheets to employers asking for more

24:27 – 24:36

data on those hour changes over that period um and also for those people we will need age 65 pays and

24:36 – 24:42

then the final group um this is our unknown group where we don't know how many are eligible because

24:42 – 24:48

they've been paying into another public service pension scheme we'll be issuing a newsletter to

24:48 – 24:54

our employers um before Christmas and under disclosure requirements whenever regulations

24:54 – 25:00

change we have three months to tell members so we're using this newsletter to notify members of

25:00 – 25:08

the change to the Scheme um those newsletters when they go out will be split um one lot will be going

25:08 – 25:14

to the people who we know are eligible through our own Scheme records the other newsletters will be

25:14 – 25:20

given to the people where we need to collect uh further or or where we need to collect data on

25:20 – 25:27

whether they were another public service pension scheme um so it's you can sort of see from that in

25:27 – 25:34

NILGOSC we're going to have various streams of work running sort of at parallel uh which is a

25:34 – 25:42

bit of a logistical exercise or nightmare um for employers then so what are we going to need uh

25:42 – 25:52

for the hours and service breaks we need those for any periods worked from April 2015 through to March 2022 um hopefully we've already now gathered more than half of those but there will

25:52 – 25:57

be that further data collection we forward the spreadsheets to employers within the next next

25:57 – 26:05

few weeks um and we've asked employers through the last two circulars to give us contact details to

26:05 – 26:11

send those spreadsheets too and that's really for data protection purposes so that we're sure we're

26:11 – 26:18

sending that member data to exactly who should be receiving it within your employer if you haven't

26:18 – 26:24

provided those details so far then please do send them into us as quickly as possible as we

26:24 – 26:32

can't send those spreadsheets out until we've had a contact with regards to the age 65 pays

26:32 – 26:39

the pay that we need to collect is either for the 12 months to age 65 or the best of the last three

26:39 – 26:46

years so you'll need to be looking at whether their pay in the 12 months to 65 was higher

26:46 – 26:56

than the previous two years if it was that's the pay you give us if there was a pay in the previous two years is higher then you need to go back and use that at the moment we can tell that around

26:56 – 27:04

4,000 of our members active members have already reached age 65 uh so we need those pays I've said

27:04 – 27:10

with that calculator that's been tested hopefully that will help a bit uh for any employers that are

27:10 – 27:16

already familiar with calculating final salary pay it's just the same calculation if you're

27:16 – 27:23

already on i-Connect when we switch this on you will get messages that you have so many staff or

27:23 – 27:29

members that you need to submit an age 65 pay for and you will keep getting that reminder until you

27:29 – 27:36

do so you can submit it through i-Connect so you don't need to complete and return the spreadsheet

27:36 – 27:42

for the employers that aren't on i-Connect they will need to return a spreadsheet to us and again

27:42 – 27:49

we've asked for contact details for those um not quite sure why I put two different dates um you

27:49 – 27:57

have until the 30th of November to do that if you can do it sooner please do um so that's the

27:57 – 28:04

data we need from employers uh the next question then is do members need to do anything well as

28:04 – 28:11

I've explained already in the underpin in the LGPS members have no choice to make they will

28:11 – 28:17

be paid whatever is the higher value so for the majority of members where we can tell from our

28:17 – 28:22

records that they're eligible they don't need to do anything you will be giving us the hours

28:22 – 28:28

the age 65 pay if that applies and we'll be doing the calculation and the member will be

28:28 – 28:35

getting paid whatever is due to them um now under the new underpin there's not even a requirement



28:35 – 28:42

for members to need to combine records to benefit from it um so again they don't have to do anything

28:42 – 28:48

there the ones who will need to do something is those members who we can't tell if they're

28:48 – 28:54

eligible or not but they might have membership in another public service pension scheme and we'll

28:54 – 29:01

be issuing that newsletter before Christmas and we'll be asking them and giving them a form or

29:01 – 29:08

a link to a form where they can complete their pre 2012 membership and let us know about it and

29:08 – 29:16

that will then let us mark their record as being eligible for the McCloud Remedy we've updated or

29:16 – 29:22

not even updated we've created completely new pages on our website the links are there and

29:22 – 29:29

there's extensive FAQs those FAQs cover everything what if I retired in ill health retirement what if

29:29 – 29:35

I trivially commuted my benefits what if I left and transferred benefits out so as you

29:35 – 29:42

can see from that you know the the problem with this Remedy is we're looking backwards and we're

29:42 – 29:50

looking back now for what eight years um and it's very very difficult to go back and try

29:50 – 29:56

and fix records we have people in that period who will have been eligible will have died

29:56 – 30:01

um if the underpin applied to them we're going to have to work that out we'll have to contact

30:01 – 30:08

their survivor and we may have to pay revised survivor benefits from the information we have

30:08 – 30:16

at the moment we're going to have to review 50,000 records so it's it's a mammoth task for NILGOSC

30:16 – 30:29

um but from the members side you know the good news is you know they really have very little to do within our Scheme probably covered this slide in advance got carried away um what is

30:29 – 30:35

NILGOSC doing we're obviously covered collecting the data from the 1st of October we'll begin

30:35 – 30:42

reviewing over the 50,000 member records for all of our calculations we rely on government actuary

30:42 – 30:48

guidance um so whether it's early retirement late retirement flexible retirement um there

30:48 – 30:54

are quite significant changes because of the underpin to flexible retirement and I'm not

30:54 – 31:02

going into that in detail here it is covered in the FAQs on the website um at this point in time

31:02 – 31:12

we have no guidance with regards to the underpin um I understand we should get the first um batch

31:12 – 31:19

of government actuary guidance towards the end of November our software providers have been

31:19 – 31:26

absolutely fantastic they've been programming for McCloud for about the last two years a lot

31:26 – 31:31

of the programming that they've been doing has had switches in it so if this happened they would turn

31:31 – 31:38

this on or if something else happened they would turn something else on what was never programmed

31:38 – 31:44

for was members not having to aggregate their benefits so at this point for us that's all

31:44 – 31:52

manual well it's all separate exercises in reporting um and trying to identify these

31:52 – 32:02

people we expect we will get guidance from the Department on a priority order for the cases to

32:02 – 32:08

review I believe that priority order is that any cases that we're paying out now we should be doing

32:08 – 32:13

them in line with the Remedy and including it and that's what we're doing you know from the first of

32:13 – 32:21

October we've been doing that as best we can um I then expect the priority cases will be pensions in

32:21 – 32:29

payment that need reviewed so those might be ill health pensions um they um deaths um some of the

32:29 – 32:35

deaths will be particularly difficult to review because it can be very very difficult to contact

32:35 – 32:44

survivors or if it's an amendment to a death grant to actually find recipients for that uh I

32:44 – 32:53

expect remedying this will take years this is not going to be a quick uh we'll have it all done by

32:53 – 33:00

March next year there's absolutely no way I think going back to employers we will be going back and

33:00 – 33:08

asking for data over and over again by contacting all the people who where we don't know if they've

33:08 – 33:13

had public service other public service pension membership before the first of April 2012 we're

33:13 – 33:21

going out to try and gather that in one fell swoop um I know not all members that have that

33:21 – 33:27

membership will reply to that so we will still be having to go back and collect hours and service

33:27 – 33:35

from employers I would expect for years to come on that basis I would ask that employers do retain

33:35 – 33:42

their records relating to members service so that you know when our changes happened

33:42 – 33:49

within that period from the first of April 2015 through to March 2022 please do not destroy those

33:49 – 33:57

records um as far as so we'll be reviewing pensions in payment we will do that as soon

33:57 – 34:03

as possible and we expect that to be sort of the main priority for anyone whose pension will

34:03 – 34:10

increase we will contact them people don't need to contact us you know if their pension needs revised

34:10 – 34:18

we'll let them know and we'll let them know if we need more information um if their pension should

34:18 – 34:25

now have an underpin uh we will have to work out their arrears there will be interest payable on

34:25 – 34:31

that the interest payable is at a different rate than would have been payable under our

34:31 – 34:39

normal scheme regulations have a feeling it's possibly at 8% normally we pay base plus one um

34:39 – 34:44

so you know for any of these cases that will need rectified and there's arrears of pension there's

34:44 – 34:53

interest um some of these people may have paid tax charges based or may have paid a tax charge

34:53 – 34:58

because of their pension savings which may now appear to be too low um some of that will need

34:58 – 35:07

to be recalculated um on on a positive side well I guess which which depend which way you look at it

35:07 – 35:15

um we only expect there will be a few cases where any pensions in payment will increase um as time

35:15 – 35:23

goes by possibly you will see more people coming within scope um so that that really summarizes

35:23 – 35:32

what we're doing um I think I've covered covered most of what I wanted to cover has anybody any

35:32 – 35:44

questions maybe bamboozled everyone stunned

35:44 – 35:56

silence I think we're just feeling your pain yeah we've we've added uh we added three extra staff

35:56 – 36:03

full-time staff to deal with just the previous collection of hours and service at this point

36:03 – 36:08

I don't know if those three will be enough going forward or we'll have to up our staff

36:08 – 36:17

in complement um retrospective calculations are phenomenally difficult you know and no

36:17 – 36:25

matter how good our software is you end up with manual calculations um so you know we

36:25 – 36:33

may find if there are a lot more of these uh we we'll need more staff um for employers you know

36:33 – 36:41

when we send those requests out for hours and service breaks in age 65 pays you know it's

36:41 – 36:49

a plea to respond to us as quickly as possible um it it is really important that we get those

36:49 – 36:57

records up to date um we are many of you will be aware that we are a party um to claims made

36:57 – 37:03

in the industrial tribunal and at the moment I think there's 126 of our employers involved in

37:03 – 37:12

that um but a lot of this information on hours and service breaks may actually be critical to

37:12 – 37:17

working out whether someone or working out someone's benefits and whether the underpin

37:17 – 37:23

applies to them so not only will we need that information for the purpose of the Remedy we

37:23 – 37:28

may also need it to make sure our records are up to date uh for the purposes of the

37:28 – 37:36

tribunal cases but I I really can't comment on them any further as we're obviously a party to

37:36 – 37:44

those so there was a question there came in from Carmel how accurate are the calculators

37:44 – 37:53

on the NILGOSC membership website um is is that MSS or my NILGOSC pension online

37:53 – 38:02

I'm Carmel I'm I'm guessing it is the MY NILGOSC pension online with the member

38:02 – 38:09

portal um at this point the programming on the member portal has not been changed from

38:09 – 38:20

McCloud so it doesn't take a kind of this Remedy at all um our programming internally

38:20 – 38:30

we're we are individually doing calculations when people retire to include McCloud at the

38:30 – 38:37

minute because of errors and you know this really is so complicated because of errors in programming

38:37 – 38:45

we haven't been able to do it in our live system on a bulk as a bulk update I expect we have uh

38:45 – 38:50

further software in test at the minute we've tested that most of those errors appear to be

38:50 – 38:58

cleared and we're hoping that we will be able to do the bulk calculations within probably a

38:58 – 39:08

month sorry was that another question no um so no unfortunately for the members what they will see



39:08 – 39:17

on MY NILGOSC pension online will not include um the McCloud Remedy as far as benefit statements go

39:17 – 39:24

I don't know what the what our instructions are going to be it's not covered in the regulations

39:24 – 39:32

that have been made um my preference because as you've seen from that an underpin whether

39:32 – 39:38

somebody's entitled to an underpin will fluctuate from year to year depending on their pay and the

39:38 – 39:46

value of their CARE benefits um whether it will be possible to have something on a benefit statement

39:46 – 39:52

that just says you're protected by the McCloud Remedy or whether we will have to show a an

39:52 – 39:58

underpin mind each year that will go up and down I I honestly don't know know at the minute I think

39:58 – 40:03

the Department is due to have another consultation on benefit statements and what will actually be

40:03 – 40:12

provided uh so we we'll just have to wait on that um even with that if benefit statements

40:12 – 40:17

were to be amended to include it I wouldn't expect to see that until maybe the statements

40:17 – 40:31

going out in August 2025 because there has to be time to give us a fair chance to amend records

40:31 – 40:43

anything else no okay well if anybody has any queries um Ruth and I are happy to take emails on

40:43 – 40:49

those um the email address on that slide is the general email address for NILGOSC

40:49 – 40:55

but if you just put McCloud Query or McCloud Remedy Query um in the line it'll it'll come

40:55 – 41:01

through to us um hopefully that has helped explain the Remedy why there's more data

41:01

collection exercises for employers and uh thank thank you for your time this morning