

NILGOSC PENSION UPDATE

The Department for Communities recently made some changes to the Scheme rules that may affect your survivor's pension.

Do I need to do anything?

You do not need to do anything as NILGOSC will review the calculation of your survivor's pension and work out whether you are due any increase. This will take some time as we have to review all pensions in payment where a member was contributing to the Scheme between 1 April 2015 and 31 March 2022.

Very few people are expected to receive an increase as the pension built up under the career average pension scheme is higher than that which could have been built up under the final salary scheme.

We will only contact you again if the new rules mean that your survivor pension will increase or if we need to gather further information.

More information on the McCloud Remedy and the background to the changes is below.

What is McCloud?

When the Government reformed public service pension schemes in 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, as the protections did not apply to them.

The Government then confirmed that changes would be made to all main public service pension schemes, including the Local Government Pension Scheme in Northern Ireland (LGPS (NI)), to remove this age discrimination. These changes are known as the McCloud Remedy and are named after a

member of the Judges' pension scheme involved in the case. The rules of public service pension schemes, including the LGPS (NI), changed from 1 October 2023.

In the LGPS (NI), older members who met certain criteria were protected by an underpin. When a protected member retired, their pension in the career average pension scheme was compared with the pension that they would have built up in the final salary scheme, had it continued. If the final salary pension would have been higher, their pension was increased. This was known as the 'statutory underpin'.

From 1 October 2023, eligible younger members are also protected by the underpin. This does not apply to all members. The underpin protects the pensions of eligible members built up in the underpin period from 1 April 2015 to 31 March 2022. The underpin protection stops before 31 March 2022 if the member leaves the LGPS (NI) before that date or they reached their final salary normal pension age (usually age 65) before 31 March 2022.



What are the conditions for underpin protection?

A contributing member will have underpin protections in the LGPS (NI) if they met all the following conditions:

- they were paying into the LGPS (NI) at any time between 1 April 2015 and 31 March 2022
- they were paying into the LGPS (NI) or another UK public service pension scheme¹ before 1 April 2012
- they do not have a disqualifying break²
- they were under their final salary normal retirement age, usually age 65, at any time between 1 April 2015 and 31 March 2022.

Underpin protection only applies to pensions built up from 1 April 2015 to 31 March 2022.

Members do not have underpin protections if they:

- left the Scheme before 1 April 2015 and did not become active in the Scheme again or
- reached their final salary normal retirement age (usually age 65) before 31 March 2015.



- 1 A public service pension scheme is one that covers civil servants, the judiciary, the armed forces, local government workers, teachers, health service workers, fire and rescue workers, members of the police forces or members of a new public body pension scheme.
- 2 A disqualifying break is a continuous period of more than five years where the member was not paying into either the LGPS (NI) or any other public service pension scheme.

How can I find out more?

You can find out more information on how the McCloud remedy may affect you by visiting our website at:

<https://nilgosc.org.uk/pensioners/help-and-support/the-mccloud-remedy/>

As a reminder you do not need to do anything other than we ask you for further information.

We hope you found this Pension Update informative, but if you have any questions, please get in touch.

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