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Mr W Dobbin
LGPD Consultations
Department for Communities

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By email to: lgpdconsultations@communities-ni.gov.uk

Dear Sir/Madam,

Limited Consultation on the McCloud Remedy and Annual Benefit Statements under the Draft Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2026

Thank you for the opportunity to respond to the above limited consultation. I am doing so on behalf of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) which is the public body responsible for administering the Local Government Pension Scheme for Northern Ireland (LGPS (NI)). I have provided a response to each of the questions set out in the consultation document.

Question 1 – Do you agree with the proposal to provide NILGOSC with discretion to disapply the requirement to include McCloud Remedy information in Annual Benefit Statements for a member or a group of members for the 2025/26 and the 2026/27 scheme years?

Yes, we agree with the proposal. Following the discretion applied at 2023/24 and 2024/25 scheme years, NILGOSC has been actioning a plan to work on the outstanding McCloud calculations. Good progress has been made on these however there are certain factors outside of our control preventing work being completed on a number of remaining groups.

For example, the required software programming to calculate the McCloud remedy underpin for members who have transferred in service during the remedial period will not be fully completed by the software provider until Q1 2027. Similarly, guidance on pension credits (in divorce) and wider legislation to allow revision of a credit in payment remains outstanding, along with any subsequent software programming.

For these subsets of members, NILGOSC is not yet in a position to perform complete McCloud calculations, therefore a further temporary discretion to reflect this in these members' benefit statements would be welcomed.

Question 2 – Are there any practical or operational issues you believe the Department should consider when enabling NILGOSC to apply this discretion?

There are a few considerations from a practical and operational level:

- As stated within the consultation document, any affected member may contact NILGOSC to discuss their McCloud eligibility, and an individual estimate of their McCloud addition will be issued if possible.
- In line with the previous yearend, NILGOSC plans to issue a paper annual benefit statement for any member impacted by this discretion. This will include a note to advise them of this discretion in relation to any possible McCloud addition, along with a brief explanation.
- NILGOSC estimates the size of membership currently impacted by this discretion to be relatively small (c.400 members, or less than 0.4% of annual benefit statements issued across the active and deferred member population).

Question 3 – Do you agree with the Department's assessment that the proposed amendment does not create a significant adverse impact in terms of the Section 75 equality categories / Human Rights Act 1998 / Regulatory impact or rural impact?

Yes, we agree with the Department's assessment that the proposed amendment has no adverse impact on these areas.

Additional comments

We believe that paragraph 6 (a)(ii) within the draft regulations should read '*at any point before 31st August 2027*' rather than *31st July 2027* in order to ensure consistency with the statutory timeframes for issuing annual benefit statements.

Yours sincerely,

Sinead Heath
Chief Pensions Officer