
Consultation on the draft Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2026

McCloud Remedy and Annual Benefit Statements

1. **Purpose of the consultation - Scope and timeframe**

- 1.1. This 2-week consultation covers proposals by the Department for Communities to amend the legislation governing the Local Government Pension Scheme (Northern Ireland) (“LGPS (NI)”), to allow the scheme manager to disapply the requirement to include McCloud Remedy information in Annual Benefit Statements (ABSs) for 2025/26 and 2026/27 for specific members or groups of members.
- 1.2. It is seeking the views of the members of the Local Government Pension Scheme (NI) Advisory Board and the scheme manager, the Northern Ireland Local Government Officers’ Superannuation Committee (NILGOSC).
- 1.3. Section 21(1) of the Public Service Pensions Act (NI) 2014 requires the Department to consult such persons (or representatives of such persons) as appear to the Department likely to be affected.
- 1.4. The closing date for submitting responses is 2 April 2026.
- 1.5. The Department will consider the responses received and issue a synopsis of those responses and the Departmental response to consultees.
- 1.6. Responses are invited to this consultation about any aspect set out in this paper.

2. Detail

- 2.1. In April 2015, a series of changes were made to the LGPS (NI) to reform the scheme's benefits structure. These changes were implemented as part of a wider project across the United Kingdom to reform public service pensions.
- 2.2. Each of the reformed schemes included transitional protection elements which meant that those within ten years of retirement as at 31 March 2012 would not be affected by the changes. Transitional protection to protected LGPS (NI) members was provided by means of an underpin, meaning that on retirement they would get the better of the benefits under the two schemes.
- 2.3. In 2018, following a Court of Appeal judgment (the McCloud Judgment) which ruled that the transitional protection element of the 2015 public service pension reforms constituted unlawful age discrimination in the Firefighters' and Judges' schemes, the UK Government indicated that the discrimination would be addressed in all relevant schemes regardless of whether members had lodged a legal claim.
- 2.4. The Department made legislation to introduce the UK Government's Remedy to the McCloud age discrimination for the LGPS (NI) through the Local Government Pension Scheme (Amendment No. 2) Regulations (Northern Ireland) 2023 (the McCloud Regulations)¹. The McCloud Regulations

¹ SR 2023 No. 149

implement the McCloud Remedy in the LGPS (NI) by extending the underpin to younger members to remove the unlawful discrimination found in the McCloud Judgment. The changes to the LGPS (NI) Regulations came into operation on 1 October 2023 and the scheme manager, NILGOSC is progressing the extensive administrative work required to implement the LGPS (NI) McCloud Remedy².

3. Annual Benefit Statements – Flexibility

- 3.1. Annual Benefit Statements (ABSs) provide an estimate of the pension benefits a member has built up in the LGPS (NI) as at 31 March in the current year. It may also provide a projection of the pension that the member could have if that member continues to work until normal pension age (this is linked to state pension age in the LGPS (NI)).

- 3.2. Currently, under regulation 99 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014 (the 2014 Regulations)³, the scheme manager, NILGOSC, must issue an ABS for all active, deferred and pension credit members within 5 months of the end of the scheme year to which it relates (i.e. by 31 August each year). The legislation requires that each ABS must include details of the McCloud Remedy, namely eligibility and if so, the amount of additional pension payable under the Remedy. For 2024/25, NILGOSC successfully issued a total of 116,013 ABSs by 31 August

² In this section, 'the LGPS McCloud Remedy' means the changes made to the LGPS Regulations under Chapter 3 of Part 1 of the Public Service Pensions and Judicial Pensions Acts 2022 and through the McCloud Regulations

³ SR 2014 No.188

2025, reflecting its sustained commitment to providing accurate and comprehensive information to members.

- 3.3. There are significant steps needed to accurately update members' records arising from the implementation of the McCloud Remedy, including the collection and testing of data from 170 employers, updates needed to systems and amendments to individual records. All of these steps need to be undertaken before ABSs could reflect details of the McCloud Remedy.
- 3.4. In 2024, NILGOSC acknowledged that it could not meet this statutory requirement. To address this, the Department made the LGPS (Amendment) Regulations (NI) 2024 which introduced an exemption from the requirement to include the McCloud Remedy in 2023/24 ABSs and a discretion to permit the scheme manager to extend the exemption to a member or group of members for 2024/25 ABSs. NILGOSC exercised this discretion for 692 members in the 2024/25 ABSs.
- 3.5. Recently, NILGOSC has advised that while it can now provide information on the McCloud Remedy to approximately 390 more members this year than last year, it has acknowledged that it cannot meet this statutory requirement for approximately 300 LGPS (NI) members for the 2025/26 ABSs and may also be unable to do so for some members for the 2026/27 ABSs, due to:
 - a. Outstanding guidance on pension credits linked to divorce cases; and

b. Delays in software development for club transfer cases (expected early 2027).

3.6. Without a regulatory amendment, NILGOSC would be non-compliant and required to report a breach of the Regulations to The Pensions Regulator (TPR). This would add to NILGOSC's workload and detract from the delivery of the Remedy.

4. Position in the LGPS (Scotland)

4.1. The Scottish Public Pensions Agency has decided not to legislate in this instance and is referring their scheme managers to TPR guidance which provides for circumstances where scheme managers are unable to meet their duties and fulfil this requirement.

5. Position in the LGPS (England and Wales)

5.1. The Ministry for Housing, Communities and Local Government is considering its options on the best way forward but are keen to keep pressure on scheme managers to deliver for members.

6. Department's proposed amendment

6.1. This consultation seeks your views on draft Regulations to introduce a discretion to enable NILGOSC, as scheme manager, to determine that the exemption from the statutory requirements in both the Public Service Pensions and Judicial Offices Act 2022 and the McCloud Regulations, to include the McCloud Remedy in ABSs, may apply for a

member or group of members' ABSs for 2025/26 and 2026/27.

- 6.2. Under draft regulations 2(2) and 3, no account would need to be taken of the LGPS (NI) McCloud Remedy in ABSs⁴. If made, this change would mean that the potential value of the statutory underpin⁵ (i.e. information on the McCloud Remedy) would not need to be reflected in ABSs until the 2027/28 statements are issued for those to whom the exemption is applied. The McCloud Remedy was introduced on 1 October 2023, and this proposed amendment is intended to take effect retrospectively from that date, meaning it would cover ABSs issued since then.
- 6.3. Regulations 4(2) and 6 would give NILGOSC the discretion to determine not to take into account the LGPS (NI) McCloud Remedy for those years, where they consider that it would be reasonable in all the circumstances, by determining that the statutory requirements to include the details of the McCloud Remedy are disapplied for the purposes of preparing ABSs for those scheme years for a member or group of members of the LGPS (NI). This flexibility is like that which applied in respect of remediable service statements that will be issued to members of other unfunded public service pension schemes who are in scope of the McCloud Remedy⁶.

⁴ Although by virtue of regulations 4(1) and 5, a scheme manager would be able to choose to take into account the LGPS McCloud Remedy, if they wish to.

⁵ Under the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (NI) 2014.

⁶ [Section 29\(10\)\(b\) of the Public Service Pensions and Judicial Offices Act 2022](#)

6.4. Where NILGOSC applies this discretion, affected members will be notified of this in their 2025/26 ABSs and 2026/27 ABSs. NILGOSC has confirmed that any affected members will still be able to request this information directly, if needed.

7. Human Rights

7.1. The Department considers that the proposals set out in the draft Regulations are compatible with the Human Rights Act 1998.

8. Equality

8.1. The Department considers that the draft Regulations do not contain proposals which create a significant adverse impact on the categories of person in section 75 of the Northern Ireland Act 1998.

9. Regulatory Impact Assessment

9.1. The Department considers that the proposed amendments will not have a direct impact on businesses, charities, social economy enterprises or the voluntary sector.

10. Rural Proofing

10.1. The Department considers that the proposed amendments in the draft Regulations will not have any differential impact on people living in rural areas.

11. Questions

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

- 11.2. Are there any practical or operational issues you believe the Department should consider when enabling NILGOSC to apply this discretion for 2025/26 and 2026/27 ABSs to a member of group of members?

- 11.3. Do you agree with the Department's assessment that the proposed amendment does not create a significant adverse impact in terms of the-
 - a. Section 75 equality categories;
 - b. Human Rights Act 1998;
 - c. Regulatory impact; and
 - d. Rural impact?

12. Freedom of information – confidentiality of responses

- 12.1. The information you send us may need to be shared with colleagues within the Department for Communities in Northern Ireland (“the Department”).

- 12.2. To find out more about the general principles of Freedom of Information and how it is applied within the Department,

please read Annex A and, if you have any further questions, please contact Information Management Branch (IMB).

12.3. Email foi@communities-ni.gov.uk

12.4. IMB cannot advise on specific consultation exercises, only on Freedom of Information issues. Read more information about the [Freedom of Information Act](#).

13. **Alternative Format**

13.1. Should you require a copy of this document in an alternative format, it is available on request in large print, disc, Braille, or audio cassette. It may also be available in minority languages for those not proficient in English.

14. **Consultation responses**

14.1. Please email your consultation response to:

lqpdconsultations@communities-ni.gov.uk

14.2. The Department will acknowledge your response.

14.3. The following persons will be able to answer your queries in relation to the consultation.

William Dobbin – William.dobbin@communities-ni.gov.uk

Vincent Perry – Vincent.perry@communities-ni.gov.uk

14.4. A list of consultees is available at Annex B.

14.5. In line with good practice and sustainable development this document is published electronically.

15. Privacy Notice

15.1. The Department's privacy notice can be viewed at the following link-

[DfC privacy notice | Department for Communities](#)

The Freedom of Information Act 2000 – confidentiality of consultations

1. The Department may publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read the paragraphs below on the confidentiality of consultations and they will give you guidance on the legal position about any information given by you in response to this consultation.
2. The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have a responsibility to decide whether any information provided by you in response to this consultation including information about your identity, should be made public or be treated as confidential.
3. This means that information provided by you in response to the consultation is unlikely to be treated as confidential, except in very particular circumstances. The Lord Chancellor's Code of Practice on the Freedom of Information Act provides that-
 - the Department should only accept information from third parties in confidence if it is necessary to obtain that information

in connection with the exercise of any of the Department's functions and it would not otherwise be provided,

- the Department should not agree to hold information received from third parties "in confidence" which is not confidential in nature,
 - acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner.
4. For further information about confidentiality of responses please contact the Information Commissioner's Office (or see website at <https://ico.org.uk/>).

<u>List of Consultees</u>	
1.	Northern Ireland Local Government Officers' Superannuation Committee
2.	The membership of the Local Government Pension Scheme (Northern Ireland) Advisory Board consisting of-

Employer's representative

Translink

Councils

Northern Ireland Housing Executive

Education Authority

Trade Union representative

GMB

NIPSA

Unite

Unison