

# The McCloud Judgement – What is it and will it effect me?

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## Contents

<b>What is “The McCloud Judgement” and what does it all mean? .....</b>	<b>2</b>
<b>What are the protection arrangements?.....</b>	<b>2</b>
<b>The McCloud Judgement .....</b>	<b>3</b>
<b>What is the remedy period? .....</b>	<b>3</b>
<b>Do I need to submit a legal claim or do anything?.....</b>	<b>3</b>
<b>When will I be given a choice? .....</b>	<b>4</b>
<b>What about if I’m retiring or have retired? Will I still get a choice?.....</b>	<b>4</b>
<b>What happens if I don’t make a choice?.....</b>	<b>5</b>
<b>What exactly happens from 1 April 2022? .....</b>	<b>5</b>
<b>What happens to my benefits in the pre-2015 schemes?.....</b>	<b>5</b>
<b>Am I going to in effect have two NHS Pensions then? .....</b>	<b>5</b>

## **What is “The McCloud Judgement” and what does it all mean?**

In 2015 the Government introduced new reformed schemes across the Public Sector. All public sector pensions scheme members had to move into these new schemes unless they were “protected”.

There was no choice about this matter. You simply switched to the 2015 Scheme if you did not satisfy the protection requirements.

## **What are the protection arrangements?**

There are two types of protection. Full Protection and Tapered Protection.

Full Protection applies if you were within 10 years of your Normal Pension Age as at 1 April 2012. If so you are entitled to remain in your current (pre 2015 section) scheme indefinitely.

Tapered Protection applies if you were within 10 years and 13 ½ years of your Normal Pension Age as at 1 April 2012. If so this allows you to remain in the pre 2015 section of your scheme until your Tapering Protection ends (i.e. at any point between the 1 April 2015 and 1 April 2022).

## **The McCloud Judgement**

This protection has been found to be age discriminatory and accordingly public service schemes have been ordered to address this discrimination and offer members a choice over which scheme they wish to be in for the duration of the remedy period.

## **What is the remedy period?**

The remedy period is all service between the 1 April 2015 and 31 March 2022. This means that if you were required to move to the 2015 Scheme because you did not have protection then, at the point of your retirement, you will be able to choose to have all of your service in the remedy period calculated on the basis of either your pre-2015 pensions scheme benefits or your post-2015 pensions scheme benefits.

## **Do I need to submit a legal claim or do anything?**

No, you will be offered a choice automatically and you do not need to submit any claim.

## **When will I be given a choice?**

You will be given a choice at the point of your retirement (although this might not be before October 2023 as the Government needs to introduce some regulatory changes to enable these changes and choices to happen).

## **What about if I'm retiring or have retired? Will I still get a choice?**

Yes, you will be offered a choice as soon as possible.

If you are in receipt of a pension your award will retrospectively be amended and backdated to your retirement date should you make a choice which increases your entitlement.

This also applies to retirement on ill-health grounds, spouses pensions, children's pensions, survivor lump sum payments, transfer values, pension on divorce cases etc. In short, all awards paid over the duration of the remedy period will need to be re-assessed and a choice offered where the member satisfies the choice eligibility conditions.

## **What happens if I don't make a choice?**

The default position is to assume you are in your pre-2015 (your "legacy scheme") for the period 1 April 2015 to the 31 March 2022 unless you specifically choose otherwise.

## **What exactly happens from 1 April 2022?**

All members will earn benefits in the 2015 Scheme from the 1 April 2022. Even protected members. It will no longer be possible to build up any more service in the pre-2015 schemes.

## **What happens to my benefits in the pre-2015 schemes?**

They are fully protected.

## **Am I going to in effect have two NHS Pensions then?**

No, you will have one pension made up of two sections (the pre and post 2015 sections) added together.