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The McCloud ruling

Group vice president Pete Wright on how the McCloud ruling on pension schemes may affect you.

In 2018 the Court of Appeal ruled on the McCloud case, brought by the Fire Brigades Union, that the transitional elements of the 2015 move to the Alpha scheme from the Principle Civil Service Pension Schemes (PCSPS) predecessors (Classic, Classic Plus, Premium etc.) were unlawfully discriminatory on grounds of age.

In July 2020, the Treasury consulted on remedy proposals and in February 2021 confirmed that affected members would have a choice of which pension benefits they would prefer to receive in respect of any remediable service from 1st April 2015 and 31st March 2022. The choice will not have to be made until the point that they retire and is a choice between benefits due under the relevant legacy scheme (PCSPS) or Alpha scheme.

Where members have already taken benefits, including beneficiaries of deceased members, they will be given the choice to continue receiving the benefits in payment, or opt for alternative scheme benefits. Remediable Service Statements (RSS) will take some time to be issued and may not be received for up to 18 months following the 1st October 2023.

To bring the remedy about has required a legislation change, and this legislation allows for the remedy above to be put in place. This again will affect not just normal retirement calculations but also member options such as voluntary contributions and pension sharing orders in the case of divorce. The regulations are due to take effect from October 2023, and PCS will be issuing further guidance and information to members when the remedy comes into effect.

In the meantime, members might wish to access their pension portal on the Civil Service Pensions website, where you will find a calculator which will enable members to gain an estimate of how the remedy will affect their overall pension calculations.

Pete Wright, group vice president