

GAD's key role in pensions consultation

News story

GAD has provided key support and expertise for a government consultation on pensions.



The Government Actuary's Department (GAD) has worked closely with the Ministry of Housing, Communities and Local Government (MHCLG) on a consultation following a legal ruling.

Courts and consultation

The consultation, published on 16 July, is on proposals to remove age discrimination from the Local Government Pension Scheme (LGPS) in England and Wales. The courts have found transitional protections given to older members in the judicial and firefighters' pension schemes directly discriminated against younger members in those schemes.

The government confirmed its intention to remedy the difference in treatment across all of the main public service pension schemes in a [Written Ministerial Statement to Parliament in July 2019](#). MHCLG together with HM Treasury and the Ministry of Justice all issued consultations on how such discrimination would be addressed.

The consultation from MHCLG is called [Local Government Pension Scheme – amendments to the statutory underpin](#). It sets out how the discrimination identified by the [McCloud / Sargeant](#) case will be removed. The operation of the existing underpin will be amended to ensure it remains appropriate for a wider application. GAD produced a series of worked examples (Annex D) which set out how the proposed underpin would work in different situations. Examples range from people who retire from active service at 65 to deferred retirement; who may or may not require an underpin uplift.

Remedy design

As part of this project, pensions experts in GAD also produced a specific supporting document called [Local Government Pension Scheme McCloud / Sargeant litigation: Equalities impact](#). This is designed to help MHCLG understand how LGPS members are likely to be affected by the proposed McCloud underpin remedy from an equality point of view.

GAD Actuary Jenny Bullen, who co-wrote the report, said: “This was a complex and important contribution to MHCLG’s consultation. We provided support in remedy design and assistance in considering the appropriate treatment of technical issues.

“In our specific worked examples, we also considered the impact of the revised scheme design on different member profiles.”

Consultation timeline

The consultation, which is open for 12 weeks, will close on 8 October 2020.

Published 7 August 2020