

The Teachers' Pension Scheme (TPS)

LGA Conference Webinar

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Department
for Education

Transitional Protection ‘McCloud’

Impact of the Government Consultation on the Teachers’ Pensions Scheme

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Background

- **Discrimination Recap**

- ❑ April 2015 – Public Service Pensions were reformed and transitional protection provisions were introduced alongside them.
- ❑ December 2018 – the Court of Appeal determined transitional provisions were discriminatory (the McCloud and Sargeant cases).
- ❑ July 2019 – HM Treasury announced that the judgment applied to all main public service schemes, and committed to address the discrimination and ensure equal treatment from a future date.
- ❑ March 2020 – the Government informed the remedy will apply to all members in scope, irrespective of bringing a claim.

- **The Government Consultation**

- ❑ July to October 2020 – the Government consulted for 12 week on the lead proposals.
- ❑ February 2021 - *Public service pension schemes: changes to the transitional arrangements to the 2015 schemes Government response to consultation* was published.



Government Response – Key Points

The Government Response

- ❑ Confirms the ‘**deferred choice underpin**’, which was the approach favoured by the majority of respondents.
- ❑ Members in scope will be placed back into the relevant final salary scheme for the remedy period (1 April 2015 – 31 March 2022) and receive a choice of final salary or career average benefits for that period when they retire.
- ❑ Eligible members who have already retired will be provided with a retrospective choice backdated to the date that payment of their benefits commenced.
- ❑ From 1 April 2022, all active members, regardless of age, will be members of the career average schemes.
- ❑ Final salary schemes will be closed to further accrual on 31 March 2022.



Primary Legislation & Scheme Policy Changes

- ❑ HM Treasury will bring forward new primary legislation as soon as parliamentary time allows to provide us with the powers to deliver the prospective and retrospective changes.
- ❑ We are working to offer individuals in scope the remedy as soon as practicably possible (including those retiring and retired). However, there are still some complex issues to resolve before we are in a position to process cases.
- ❑ Examples of such issues are tax, interest, treatment of flexibilities, development of administrative solutions and systems.
- ❑ We are working with the Teachers' Pensions Scheme Advisory Board and the administrator to analyse the changes and develop the scheme-specific solutions.
- ❑ The scheme specifics will be subject to consultation once the primary legislation changes achieve Royal Assent.



Employers

- ❑ The Government consultation has been published with supportive documents to help explain and understand the changes.

[Public service pension schemes consultation: changes to the transitional arrangements to the 2015 schemes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/public-service-pension-schemes-consultation-changes-to-the-transitional-arrangements-to-the-2015-schemes)

- ❑ For now, please signpost members to the comprehensive information (bulletins, factsheets, FAQs) Teachers' Pensions have uploaded on their website.

[\(Government Response to the Public service pension schemes | February | 2021 \(teacherspensions.co.uk\)](https://www.teacherspensions.co.uk/government-response-to-the-public-service-pension-schemes-february-2021)

- ❑ Continue to ensure that member records are kept up to date. Retain service and salary information in preparation for future queries as members begin to make their choice.

