



**Northern Ireland
Fire & Rescue Service**



FIREFIGHTERS' PENSION BULLETIN 01

Joint Bulletin from NIFRS and FBU

Update on McCloud Judgement

This bulletin has been created to inform NIFRS employees about the McCloud Judgement and the impact it will have on some people enrolled in the Firefighters' pension schemes. This is a complex issue that will take time to resolve but we will make sure that a resolution will be provided for anyone impacted.

Background

In 2015 most public service pension schemes were reformed. Transitional protections allowed those within 10 years of retirement to remain in their existing pension scheme when the reformed schemes were introduced. However, in 2018 the courts found this to be discriminatory against younger members of judicial and firefighters' pension schemes.

As a result the Department of Finance published a public consultation in August 2020 on options to remove this discrimination. Having considered all responses, the Department of Finance has set out its final proposed approach.

Who is affected?

Scheme members who were serving on or before **31 March 2012 and still serving on or after 1 April 2015** will be in scope of these proposals. This includes members who are currently active, deferred or retired.

You **do not** need to put in a legal claim to be eligible for these changes.

The judicial and local government pension schemes will receive different changes as a result of the unique arrangements in those schemes.

How are members affected?

To address the discrimination, eligible members will remain in, or be returned to, their old (legacy) schemes for service between 2015 and 2022. When benefits become payable members will receive a choice of whether they would rather receive the benefits of their reformed pension scheme for that period.

The choice will be offered as soon as practicable after legislative changes are implemented. This means that for both past and upcoming retirements, members who have transitioned to the CARE scheme will continue to receive benefits on that basis and any shortfall in pension will be backdated to your date of retirement as soon as practicable.

What Next?

Eligible members **do not have to do anything at this stage**. Eligible members will be contacted by the pension scheme administrator in due course. These changes will take some time to be made as they require new legislation. The choice will be offered to you as soon as practicable once your benefits become payable. Any change to benefits will be **backdated**.

Other FAQs

Why is it not as simple as placing everyone into the old (legacy) scheme?

Affected members cannot simply be returned to their old scheme because members may choose, based on individual circumstances, to remain in the new scheme. The proposed solution is therefore giving members the choice of which benefits they will receive.

When will legislative change occur?

The Government has committed to completing the necessary legislative changes by October 2023.

How long after legislative change should I receive my choice?

Significant change to the software systems will be needed to support this change, and software providers will need to consider at which stage that can be started with or without legislation. Software companies have indicated a lead in time of at least 12 months to develop the software for the pension system. We are working with our administrator to progress software changes and secure additional staff resources so that the changes can be implemented as quickly as possible following legislative change.

How will this affect members who have retired or will retire soon?

All eligible members will be offered a choice but in many cases, the choice will be given after retirement. Any change to benefits will be backdated to the date of retirement.

Why are members who joined after 31 March 2012 not in scope?

The Court of Appeal's ruling identified unlawful discrimination as a result of differing treatment between older and younger members in service on or before 31 March 2012.

It is therefore these groups that we are now equalising treatment between.

What's happening after the remedy period?

The remedy period ends on 31 March 2022. After that all active members will be placed into their 2015 scheme

Other Fire & Rescue Services have already started to offer a choice. Why isn't NIFRS?

This approach creates a lot of risk for both NIFRS and members of the pension scheme. Rushing the changes increases the risk of mistakes. It is important that members receive the necessary information to help them understand all of the options available to them and their family.

