

### Paragraphs to be added to Pensions Office letters

Following the implementation of the McCloud Remedy, many of the letters issued by the Pensions Office will need to be updated to advise scheme members that their benefits have been calculated with reference to the Remedy.

The following paragraphs have been drafted (*and are shown in italics*) and will be added to the necessary correspondence in the coming weeks once the final wording and terminology has been agreed:

#### **Letter 1 – ‘Compulsory’ Retirements**

This paragraph is for retirement illustration letters if the retirement date is compulsory and the scheme member cannot elect to defer payment to a later date. In these cases, the final assumed benefits, final underpin amount and any final guarantee amount are fixed and will not change.

This paragraph will be used for retirement quote letters if the protected member is:

- retiring on ill health grounds from active status
- retiring on redundancy or efficiency grounds, or
- retiring from active or deferred status at the Scheme’s upper age limit – age 75.

#### ***McCloud Judgment***

*Following the age discrimination case commonly known as McCloud, your pension has been tested to see if you are affected by the judgment. If you are entitled to extra pension, this is shown as a ‘McCloud Final Underpin Pension Payable’ on your illustration and is included in the annual pension figure shown. **Please note that very few members are affected.***

You can find out more about the judgment by reading the McCloud pages of the national LGPS member website: [www.lgpsmember.org/mccloud-remedy](http://www.lgpsmember.org/mccloud-remedy)

#### **Letter 2 – ‘Optional’ Retirements**

This paragraph is for retirement illustration letters if the scheme member can choose to defer payment to a later date. It will be used for voluntary retirements from deferred or active status, as long as the member is below the upper age limit for Scheme membership – age 75.

#### ***McCloud Judgment***

*Following the age discrimination case commonly known as McCloud, your pension has been tested to see if you are affected by the judgment. If you are entitled to extra pension, this is shown a ‘McCloud Final Underpin Pension Payable’ on your illustration and is included in the annual pension figure shown. **Please note that very few members are affected.***

*Please be aware that any ‘McCloud Final Underpin Pension Payable’ shown will be paid if you take your pension straight away. If you take your pension later, the*

*'McCloud Final Underpin Pension Payable' may be higher, lower or may not apply. The final amount depends on a number of factors including your age when you retire.*

*You can find out more about the judgment by reading the McCloud pages of the national LGPS member website: [www.lgpsmember.org/mccloud-remedy](http://www.lgpsmember.org/mccloud-remedy)*

### **Letter 3 – Retirement Estimate**

This paragraph will be added to estimate letters sent at the scheme member's request.

#### ***McCloud Judgment***

*Following the age discrimination case commonly known as McCloud, your estimated pension has been tested to see if you are affected by the judgment. If the results show that you would be entitled to extra pension if you retired on the date of the estimate, this is shown as a 'McCloud Final Underpin Pension Payable' on your estimate and is included in the annual pension figure shown. **Please note that very few members are affected.***

*You can find out more about the judgment by reading the McCloud pages of the national LGPS member website: [www.lgpsmember.org/mccloud-remedy](http://www.lgpsmember.org/mccloud-remedy)*

### **Letter 4 – Deferred calculation**

This paragraph will be added to the letters sent to a newly deferred protected scheme member who leaves the Scheme before their 2008 Scheme normal pension age.

#### ***McCloud Judgment***

*Following the age discrimination case commonly known as McCloud, your deferred benefits have been tested to see if you are affected by the judgment. If the results show that you may be entitled to extra pension, this is shown as 'McCloud Current Provisional Underpin Pension Payable' on your statement and is included in your annual pension figure.*

*Please be aware that this is not a guaranteed figure. We will work out your 'McCloud Final Underpin Pension Payable' when you take your pension. The final amount depends on a number of factors, including your age when you retire. The 'McCloud Final Underpin Pension Payable' may be higher, lower or may not apply when you retire. **Please note that very few of our members are affected.***

*You can find out more about the judgment by reading the McCloud pages of the national LGPS member website: [www.lgpsmember.org/mccloud-remedy](http://www.lgpsmember.org/mccloud-remedy)*

## **Letter 5 – Survivor pension**

This paragraph will be added to the letter about a survivor pension payable when a protected scheme member dies.

### ***McCloud Judgment***

*Following the age discrimination case commonly known as McCloud, your pension includes any 'Dependant's Guarantee Amount' that you are entitled to. **Please note that very few members are affected.***

*You can find out more about the judgment by reading the McCloud pages of the national LGPS member website: [www.lgpsmember.org/mccloud-remedy](http://www.lgpsmember.org/mccloud-remedy)*