

# WIRRAL COUNCIL

## PENSION BOARD

10 NOVEMBER 2020

<b>SUBJECT:</b>	<b>McCLOUD CONSULTATION RESPONSE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides a further update on the position of the McCloud consultation previously covered at the Pension Board on 14 September.
- 1.2 The Fund response was shared with the Chairs of Pension Committee and the Local Pension Board, for comment and approval prior to submission on 8 October.

The submitted response is attached as Appendix A and focuses on the operational aspects and communicative challenges in implementing the proposed remedy.

### 2.0 Consultation Response

- 2.1 The Fund's response supports the fundamental principle of the proposals to remove the age criteria within the LGPS regulations and to extend the statutory underpin protection to younger scheme members (where they meet all other membership criteria).
- 2.2 The key focus of the response, is in regard the operational practicalities and communicative challenges in implementing the remedy; primarily that the proposal to publish a 'provisional underpin amount on member communications will generate considerable confusion and queries from members.
- 2.3 As a Fund we are adamant that the proposal to include a 'provisional underpin amount' on member correspondence as a quantified amount of monies, should be amended to require the provision of a narrative to confirm qualification for Statutory Underpin Protection which will subsequently be assessed upon receipt of the pension benefit.
- 2.4 The Fund is cognisant of the significant administrative costs these proposals are putting on both the Fund and employers, including the additional resource

implications and strongly advocates the need for regularly updated national guidance and template communications.

### **Operational Considerations**

2.5 We are currently assessing what data we have captured since the introduction of the 2014 Scheme, as we continued to collect employee work hours at year end for matching purposes; also some employers have continued to provide hour changes mid-year.

2.6 Provisional numbers for qualifying members for underpin protection are:

Actives	21,436
Deferred	5,546
Pensioner	6,515
Transfer out	354
Death	314
<b>Total</b>	<b>34,165</b>

2.7 We are still awaiting the tools from the system software supplier to manage the data and handle bulk uploads.

### **Next Step**

2.8 Pension Committee at their 2 November meeting have been asked to instruct officers to develop a project plan and any associated work streams to comply with the scale of retrospective benefit calculations in compliance with the Local Government Pension Scheme (Amendment) Regulations 2020.

### **3.0 RECOMMENDATION**

3.1 The Pension Board note the consultation response and provisional numbers in scope for the project plan

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