
Appendix 3: Summary of 2023 McCloud consultation

- **Aggregation** – DLUHC now proposes that service does not need to be aggregated for a member to qualify for McCloud, but, where a member who qualifies for underpin protection leaves and re-joins the LGPS or holds concurrent posts and LGPS membership ends in one post, that it is required in order for underpin figures to be recalculated when they next have an underpin
- **Club transfers** – DLUHC is now proposing that members will not need to have transferred their previous service in another public service pension scheme into the LGPS to qualify for underpin protection in the LGPS. Instead, if an LGPS member had membership of another public service pension scheme on or before 31 March 2012 and did not have a disqualifying gap, they would have underpin protection on their LGPS service in the underpin period (even if the previous service was not transferred to the LGPS)
- **Flexible retirement** – DLUHC proposes that a protected member will have a second underpin date if they took flexible retirement between 1 April 2014 and 31 March 2022 and continued to build up pension in the underpin period after their flexible retirement and before they reached their final salary normal pension age. The proposed treatment of partial flexible retirement is also set out. The approach may lead to multiple underpin and final underpin dates and will be complex to administer but DLUHC intends that the approach will deliver consistent protection
- **Divorce** – actuarial guidance will be updated to reflect the McCloud remedy and there will be minor changes to how pension debits are reflected in underpin calculations
- **Injury allowances** – DLUHC does not believe that any special provisions are required in relation to this group
- **Excess teacher service** - excess teacher service is pensionable in the LGPS, and members will be retrospectively admitted to the LGPS for the period they were in the TPS reformed scheme during the remedy period
- **Compensation** - draft regulations include provisions regarding payment of and applications for compensation
- **Interest** – draft regulations set out the interest applicable and the period applicable for various types of payment (e.g. retrospective pension/lump sum addition, direct/indirect compensation for financial loss/Part 4 tax loss)