

## Environment Agency Pension Fund (EAPF)

This factsheet explains the McCloud judgment and, as a result of the judgment, the changes made to the Local Government Pension Scheme (LGPS) in England and Wales, and how the changes may affect members of the EAPF.

The changes may affect you if:

- You were paying into the LGPS or another public service pension scheme before 1 April 2012, and
- You were paying into the LGPS between 1 April 2014 and 31 March 2022, and
- You have been a member of a public service pension scheme without a continuous break of more than 5 years.



### What is the McCloud judgment?

When the Government reformed public service pension schemes in 2014 (LGPS) and 2015 (all other public service pension schemes), they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the judges' and firefighters' pension schemes had been discriminated against because the protections did not apply to them.

This ruling is called the McCloud judgment, after a member of the Judicial Pension Scheme involved in the case. Because of the ruling, all public service pension schemes that provided protection, including the LGPS, have been changed.

The changes are called the McCloud remedy. They remove the age discrimination found in the McCloud court case.

For more information or to find out if you are affected, visit the McCloud section of the LGPS member website [www.lgpsmember.org/McCloud-Remedy](http://www.lgpsmember.org/McCloud-Remedy)

---

## Will it change anything?

In 2014, the LGPS changed from a final salary scheme (a pension based on your pay when you leave) to a career average scheme (a pension which builds up based on what you earn each year). Older members who were closer to retirement were protected from the changes. When a protected member took their pension, the pension from the career average scheme was compared with the pension that they would have built up under the final salary scheme, had the final salary scheme continued beyond 2014. The member received the higher amount. This protection is called the underpin.

To remove the McCloud age discrimination, qualifying younger members will now receive underpin protection too. Underpin protection only applies to pensions built up in the remedy period, between 1 April 2014 and 31 March 2022. Underpin protection stopped earlier if you left the Scheme or reached your final salary normal retirement age (usually 65, though former employees of Her Majesty's Inspectorate of Pollution who transferred to the EAPF back in 1996 are deemed to have a final salary normal retirement age of 60) before 31 March 2022.

From 1 April 2022, there is no underpin protection, though your final pensionable salary on leaving the Scheme (or age 65, if earlier) is still used to calculate the underpin for any period that you were in the LGPS between 1 April 2014 and 31 March 2022. Pensions built up after this date are based on the career average scheme only.

---

## Am I protected?

You're protected by the underpin if you were:

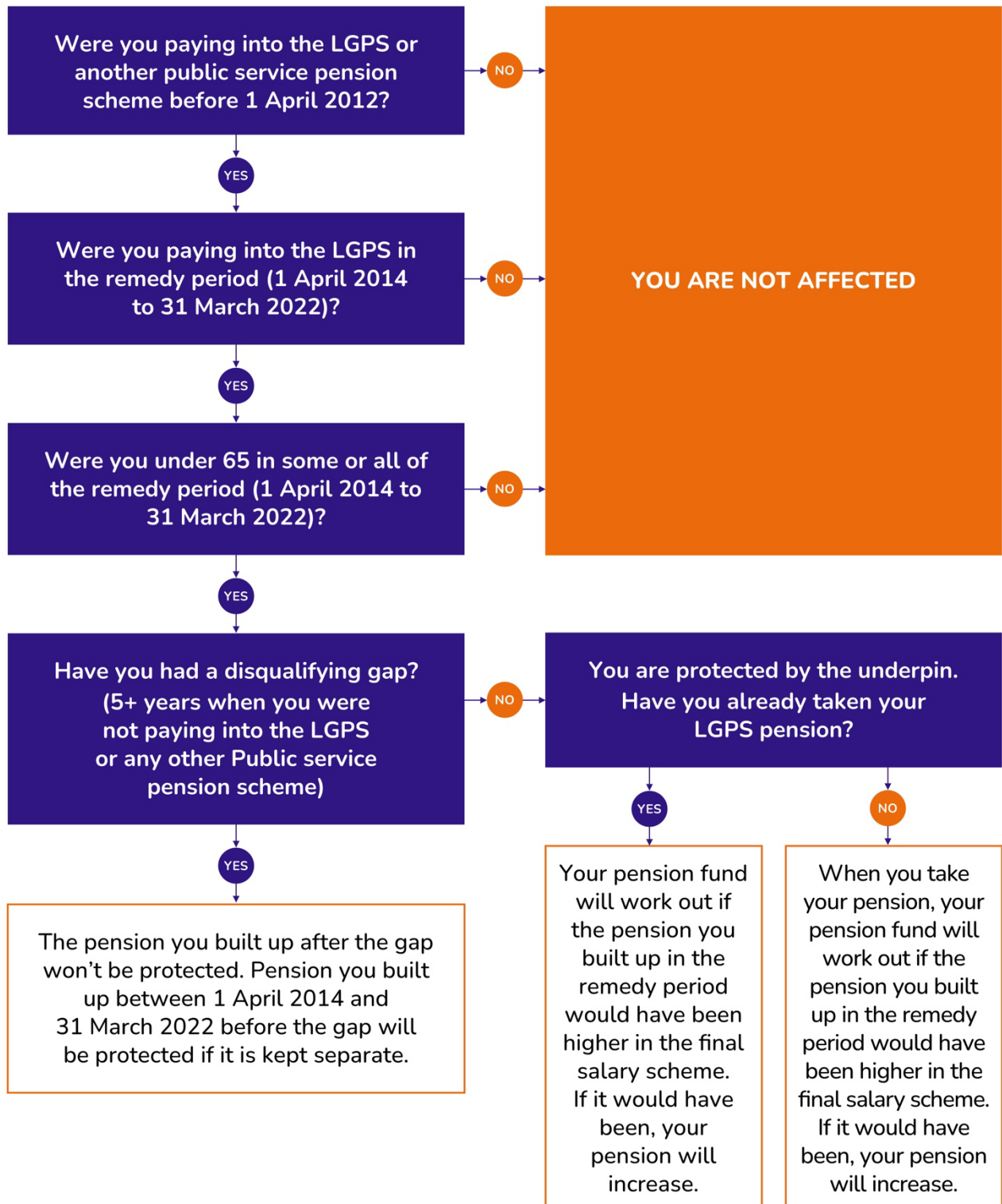
- A member of the LGPS or another public service pension scheme before 1 April 2012 and
- A member of the LGPS at any time between 1 April 2014 and 31 March 2022, as long as you didn't have a 'disqualifying break'.



A 'disqualifying break' is a continuous period of more than 5 years when you were not a member of a public service pension scheme.

For more information or to find out if you are affected, visit the McCloud section of the LGPS member website [www.lgpsmember.org/McCloud-Remedy](http://www.lgpsmember.org/McCloud-Remedy)

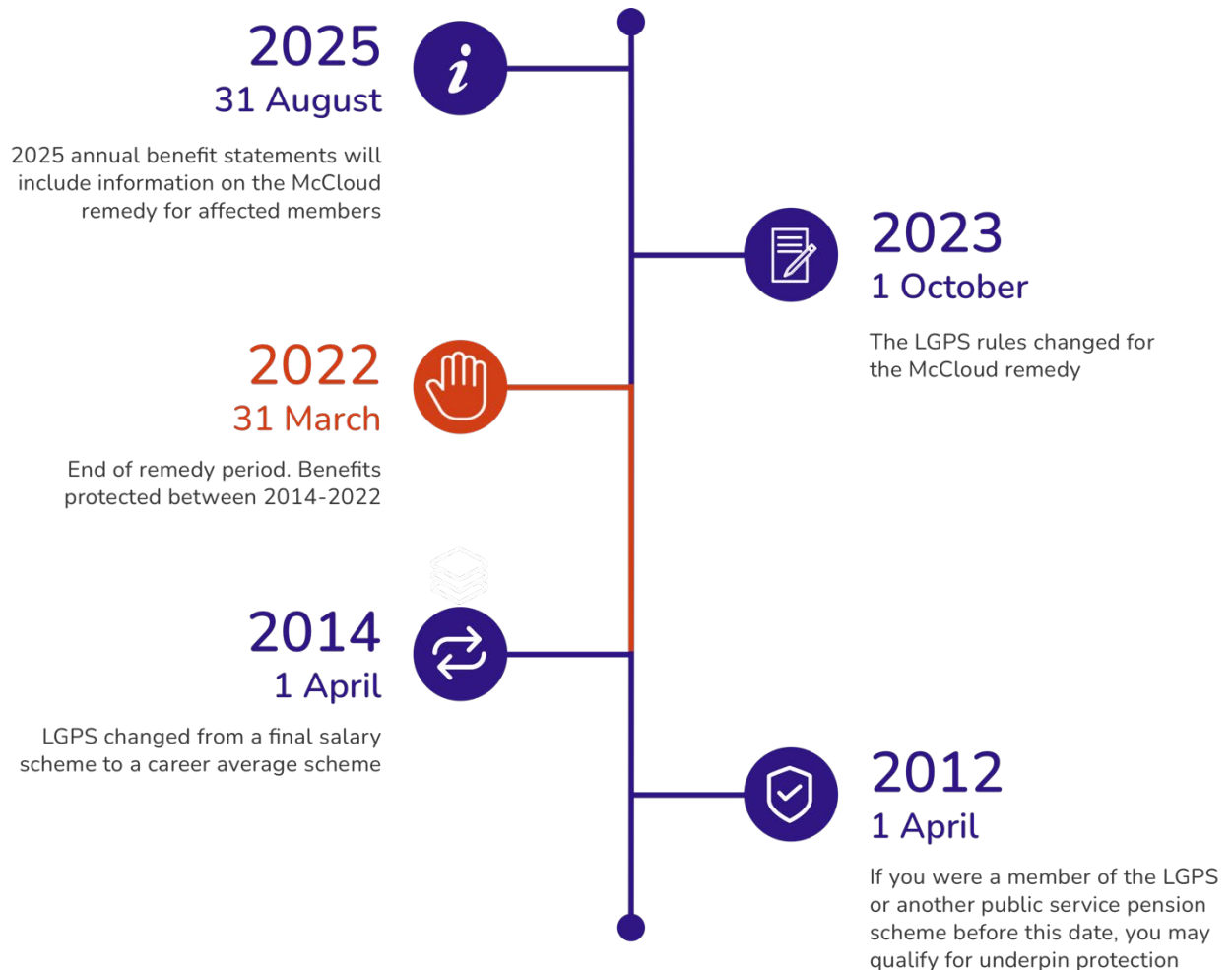
## Am I affected?



For more information or to find out if you are affected, visit the McCloud section of the LGPS member website [www.lgpsmember.org/McCloud-Remedy](http://www.lgpsmember.org/McCloud-Remedy)

---

## Key dates

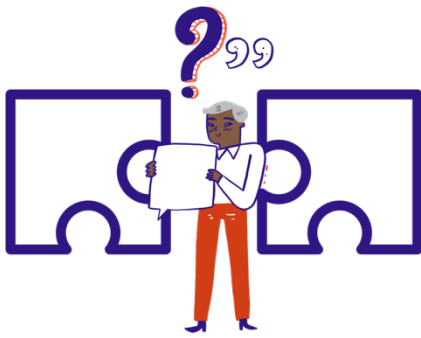


---

## What do I need to do?

You don't need to do anything. If you qualify for underpin protection, we'll work out if your pension is due to increase when you take it. If you're an active or deferred member, we'll give you an estimate of how the underpin may affect your pension in your 2025 benefit statement. If we're already paying your pension, we'll review it; if you're due an increase, we'll pay you arrears of pension payments with interest. We'll aim pay any arrears of pension due to you as soon as we can, though we've many thousands of pensions to review, and this process will take many months.

For more information or to find out if you are affected, visit the McCloud section of the LGPS member website [www.lgpsmember.org/McCloud-Remedy](http://www.lgpsmember.org/McCloud-Remedy)



## Will my pension increase?

Most members **won't** see an increase because the pension they build up in the career average scheme is **higher** than the pension they would have built up under the final salary scheme, had the final salary scheme continued beyond 2014. If there is an increase (and very few cases are expected to receive an increase), it's likely to be very small.

---

## Do the changes affect me if I qualified for original underpin protection?

If you qualified for underpin protection when you took your pension before 1 October 2023, you may still be affected. We'll work out if you're due an addition to your existing pension under the new rules, and we'll aim to do this as soon as possible.

---

## How can I find out more?

This factsheet doesn't cover all circumstances or provide a detailed explanation of the McCloud remedy, which is set out in legislation.



For more information about the McCloud remedy, visit the McCloud section of the LGPS member website [www.lgpsmember.org/McCloud-remedy](http://www.lgpsmember.org/McCloud-remedy)

To find out more about our McCloud project and what you can expect from the EAPF, visit [www.eapf.org.uk/McCloud](http://www.eapf.org.uk/McCloud)

For more information or to find out if you are affected, visit the McCloud section of the LGPS member website [www.lgpsmember.org/McCloud-Remedy](http://www.lgpsmember.org/McCloud-Remedy)