

PCPF Response to McCloud

When IPSA reformed the PCPF in 2015, introducing a CARE section alongside the old Final Salary section, affected members were given either ‘unprotected’, ‘partially protected’, or ‘fully protected’ status based on their age.

In response to the McCloud judgement (which was a case brought against similar changes made to other public service pension schemes), IPSA decided that it was unfair to treat members differently on the basis of their age and are now seeking to make changes in response to this unfairness.

IPSA have held two consultations on their response to McCloud, which have both now closed. They are now seeking to move ahead with their proposed resolutions, which includes closing the Final Salary section to all members on 31 March 2023 and introducing a ‘Member Choice Exercise’ for all impacted. IPSA and the Trustees are working closely together on this project and all affected members will receive further communications on this over the coming months with more information. Please ensure that your contact details are up to date with Buck so that you do not miss these.

In 2023 all affected members will be sent a personalised options pack, with information about the Member Choice Exercise. We will be holding education seminars on what the McCloud judgement (dates T.B.C.) may mean for you, so if you wish to attend these, or for any further information, do please contact the Secretariat to register your interest. In addition, all impacted members are being asked to complete a retained benefit form to ensure we have all the information we need in order to issue you personalised options pack next year.



The Trustees worked hard to ensure the best possible outcome for Scheme members in response to the McCloud judgement. Below are some of the ways in which Trustees have successfully advocated for members with IPSA:

Previous IPSA Position	Updated IPSA position following reponse from Trustees
Only those moved to the CARE section would be given the choice on whether or not they wished to remain in the CARE section or migrate their benefits to the Final Salary section for the relevant period.	Trustees pushed for, and IPSA have agreed that those who remained in the Final Salary section will also be given the choice on which section they would like their pension benefits to be in. This is advantageous for those with large retained benefits whose PCPF pension may be restricted in the final salary section and therefore it may be advantageous for them to move to CARE.
The choice would be only binary – to either maintain benefits in the CARE scheme, or to move into the FS scheme.	Trustees advocated for IPSA to provide a third option of ‘no change’ for those who have a blend of both Final Salary and CARE benefits for the period. This has been adopted by IPSA.
Members must pay any contributions owed up front.	IPSA have agreed to provide the Trustees discretion in determining the timeframe of the repayment of contributions.
The 2017 cost cap valuation should include McCloud costs, increasing the risk of member contributions increasing.	IPSA have agreed that McCloud costs are not relevant to the (simplified) form of cost cap which exists in the MPs’ scheme and should be excluded. The inclusion would have increased the risk of member contributions increasing.
IPSA wanted to specify that Members should make their choice by April 2023.	IPSA have accepted that this doesn’t provide Members with enough time to make their choice and have provided the Trustees with more discretion over the length of the exercise.