# McCloud data collection exercise Key bullet points for employers

* Background to McCloud

When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older scheme members. In December 2018, the Court of Appeal ruled that younger members of the Judges’ and Firefighters’ Pension schemes were discriminated against because the protections did not apply to them. This ruling is known as McCloud, after one of the claimants.

* Removing unlawful age discrimination

The Government has confirmed that there will be legislative changes to all public sector schemes, including the L G P S, to remove this age discrimination. The L G P S rules need to be changed to automatically provide eligible younger members with protection equal to the protection provided to older members.

The Government is currently consulting on the changes that need to be made to do this. The [public consultation on the proposed changes to the LGPS](https://www.gov.uk/government/consultations/local-government-pension-scheme-amendments-to-the-statutory-underpin) runs until 8 October 2020.

* Practical application of protection

In the L G P S, the protection compares the benefits payable under the current career average scheme with the benefits that would have been paid if the Scheme had not changed from a final salary scheme in 2014 (2015 Scotland and Northern Ireland) and pays the higher. This protection is called the underpin.

Currently, the underpin applies automatically to protected older members. The Government is proposing to change the scheme rules so that the underpin will automatically be extended to eligible younger members.

* Data collection

Additional data about hours worked and service breaks is needed to perform the underpin calculation. This data is needed for all members of the L G P S from the date the scheme changed in April 2014 (2015 Scotland and Northern Ireland) to 31 March 2022 (or earlier if the member left active membership of the scheme or reached their 2008 Scheme N P A before that date).

The collection of this historical data is known, within this context, as the McCloud data collection exercise.

* Priority

McCloud data collection is a statutory obligation because it is proposed that legislative changes will be made to the L G P S to remove the unlawful age discrimination by extending underpin benefits to eligible younger members. Employers are legally required to provide administering authorities with the information they need to calculate members benefits. The method and format for data collection (the data collection template) will be largely constructed centrally. This is to achieve consistency where possible, with timescales to provide the data set at a local level and to be adhered to.