



# Derbyshire Pension Fund

Local Government Pension Scheme  
**Employer Newsletter**

Issue 200

September 2023

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## 'McCloud' remedy update

The government has released a response about the McCloud remedy in the Local Government Pension Scheme (LGPS) together with final regulations. These regulations will come into force from 1 October 2023 to enable work on the remedy to be carried out.

The new regulations remove the age discrimination identified in the McCloud judgement where only older members were given underpin protection to ensure they wouldn't be worse off under the Career Average Revalued Earnings (CARE) rules introduced on 1 April 2014. All qualifying members with LGPS membership before 1 April 2012 and at any point between 1 April 2014 and 31 March 2022 will now have the underpin protection applied.

It's acknowledged in the government's response that a significant amount of work lies ahead for LGPS administrators to determine the members in scope, and then apply the remedy to these members.

We'll check the pensions of all affected members including those who are no longer actively contributing or are already receiving their pension. The Local Government Association (LGA) is

shortly due to provide LGPS funds with guidance on the prioritisation of this work. Your employees and ex-employees won't need to do anything. We'll write to them if their pension is going to change.

The full response is available on [the gov.uk website](#).

### Data gathering

In November 2022 we began gathering the necessary data in preparation for the McCloud remedy. If we need further information from you, the Fund will be in contact shortly with an email from [pensions.mccloud@derbyshire.gov.uk](mailto:pensions.mccloud@derbyshire.gov.uk).

If you have yet to respond to a request from us, it is critical that you get in contact as soon as possible. Failure to do so could result in your employees and ex-employees receiving a lower pension than they should be entitled to.

It would be helpful if you contact us if you are planning to delete or archive payroll details from April 2014 in case we need to seek confirmation or obtain further information from your payroll history.

### New leaver notification forms

As you may have read in our email of 14th September 2023, we have published new versions of our L1, L1a and L3 forms on our [website](#). This coincides with the new LGPS regulations that become effective from 1 October 2023.

We will assess whether underpin protection applies to your employees and ex-employees by checking their Final Pay. Where an employees' leaving date is later than their 65th birthday, the new form will ask you to provide Final Pay details at both age 65 and their leaving date.

The leaver forms will now prompt you to complete the "Best of 3 at age 65" tab, in addition to the standard "Best of 3" tab at the leaving date.

Section 4d will appear for members aged 65 and over at their leaving date. This is an example of how it will appear for an employee who was aged 65 on 1<sup>st</sup> January 2021, but left employment afterwards:

#### d - Final Pay at age 65 (to assess underpin protection)

*For leavers over 65, please also complete the Best of 3 at age 65 tab: The below values populate from the Best of 3 at age 65 tab.*

Final Pay	Pensionable Allowances	Total	Start date of year used	End date of year used
£26,500.00	£0.00	£26,500.00	02/01/2020	01/01/2021

*dd/mm/yyyy*

*dd/mm/yyyy*

## Deferred Ill Health Retirement applications

Some cases have come to light where applications for the early release of pension benefits on grounds of ill health from deferred LGPS members have taken several months for the former employer to reach a decision on their eligibility.

Ill health applications from your former employees should be considered with urgency to avoid delays in payments where applications are approved.

The payment date for ill health pension benefits where a deferred scheme member left employment on or after 1 April 2014 is the date of the employer's decision, not the application date, so it's critical that applications are considered urgently.

Our Employer's guide to ill health retirement can be found [here](#).



### **i-Connect reminder**

Please note that your i-Connect data should reconcile to the CR1 (contributions return) form and payment to the fund, therefore it is recommended that you reconcile this yourselves ahead of submitting the data to the fund. APP (Assumed Pensionable Pay) needs to be included in this data, as well as paying employer contributions based on APP.

More information can be found on APP:

- [Bitesize LGA training](#)
- [LGA Payroll guide pages 19-27](#)



### **Employee details changes**

It's important that you let us know as soon as possible when an employee's details change, for example, title, name, address. This helps us to minimise the risk of data breaches occurring.

If you're not using i-Connect yet, please remember to notify us using the C1 Form when any of your LGPS members change their personal and contact details. The C1 Form is available on the [Forms for employers](#) section of our website.

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## Email addresses

A quick reminder of our email addresses and what they should be used for:

[dpf.employers@derbyshire.gov.uk](mailto:dpf.employers@derbyshire.gov.uk) - For submitting member notification forms such as the S1, L1, L3, Change forms and estimate requests. [All found here](#).

[pensions.tech@derbyshire.gov.uk](mailto:pensions.tech@derbyshire.gov.uk) - For submitting contribution returns (CR1), data returns and payment queries.

[pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk) - For queries relating to LGPS regulations, appeals, outsourcing, scheme funding, governance, employer training, events and communications.

[pensions.iconnect@derbyshire.gov.uk](mailto:pensions.iconnect@derbyshire.gov.uk) – For employer queries about i-Connect.

For queries and requests from members of the LGPS, please direct them to the [enquiry form](#) on our website.

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**If you have any queries about the information provided in this Newsletter,  
or about the LGPS in general, please contact us at:**

**Derbyshire Pension Fund, County Hall, Matlock, DE4 3AH**

**Tel: 01629 538900**

**Email: [pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk)**

**Website: [www.derbyshirepensionfund.org.uk](http://www.derbyshirepensionfund.org.uk)**



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