

Briefing note Firefighter Pension Schemes, McCloud/Sargeant

Immediate detriment follow on guidance issued 10th June 2021 by the Home Office

Background

In August 2020 the Home Office released informal guidance to Fire and Rescue Authorities in England on the processing of 'immediate detriment' cases in advance of a decision on the Government's final approach to removing the age discrimination as found in the McCloud/Sargeant Employment Tribunal litigation.

Immediate detriment includes those scheme members who were in service on or before 31 March 2012 and on or after 1 April 2015, including those with a qualifying break in service of less than 5 years, and who did not benefit from full protection and were moved into the 2015 Scheme on or after 1 April 2015:

1. Who become eligible to retire with an ordinary pension and want to have all their benefits paid from their legacy scheme (i.e. do not accept deferred 2015 scheme benefits); OR
2. Who don't qualify for lower-tier (and therefore higher-tier) ill-health pension under the single pot Ill-Health Retirement (IHR) arrangement BUT would do so under the IHR arrangements in their legacy scheme.

Any scheme members that fall within either of the two categories above can have their pensions calculated and put into payment according to this guidance.

If followed this guidance should not be applied to scheme members who have already retired and are in receipt of their pension payments. These cases are more complex to address, especially due to complexities in rectifying the member's tax position.

It is important to note that any cases processed using this guidance would need to be revisited once the Government's approach to removing the discrimination has been finalised, due to relevant matters that are currently subject to consultation, to include interest on contributions etc. This is likely to be after April 2022.

WCC took the decision to apply this guidance making an assessment on each case to identify any complexities which could lead to an incorrect value of benefits being paid.