

From: The DALO

Ms Emer Boyle
Communities Committee Clerk
Room 410
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

Dear Emer,

SL1 – The Draft Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2026 – McCloud remedy and Annual Benefits Statements

The Department for Communities proposes to make a Statutory Rule under powers conferred by the Public Service Pensions Act (Northern Ireland) 2014 and the Public Service Pensions and Judicial Offices Act 2022. The Statutory Rule is subject to the negative resolution procedure before the Assembly.

Purpose of the Statutory Rule

The Statutory Rule will introduce a discretion to enable the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC), as scheme manager, to apply exemptions from statutory requirements - specifically those in the Public Service Pensions and Judicial Offices Act 2022 and the LGPS (Amendment No. 2) Regulations (NI) 2023 (the Regulations that introduced the McCloud Remedy) - regarding the inclusion of the McCloud Remedy in annual benefit statements (ABSs).

This proposed exemption could apply to one or more members' ABSs for 2025/26 and 2026/27.

NILGOSC has stated that it cannot include the McCloud Remedy in the 2025/26 ABSs for about 400 members and may also face compliance issues in 2026/27 for some members' ABSs due to factors beyond its control. This is because of:

- Pending guidance on pension credits related to divorce cases; and
- Software development delays for club transfer cases (expected in early 2027).

Without this regulatory amendment, NILGOSC would have to report a breach of the LGPS (NI) Regulations to The Pensions Regulator (TPR). This would add to NILGOSC's workload and detract from the delivery of the Remedy.

NILGOSC has confirmed that where any affected member requires additional pension information, it will continue to provide such information on an individual basis, subject to the constraints already mentioned.

Earlier regulatory amendment (SR 2024 No. 159)

A similar amendment was introduced for ABSs issued in 2023/24 and 2024/25 and it proved highly effective. In 2024/25, NILGOSC exercised the discretion for 692 members. For 2025/26, that figure is expected to reduce to around 400 members. This represents a year-on-year improvement of 292 members now receiving the McCloud Remedy information in their ABSs. This demonstrates clear and continued progress.

In 2024/25, NILGOSC successfully issued a total of 116,013 ABSs, reflecting its sustained commitment to providing accurate and comprehensive information to members.

NILGOSC is working diligently to ensure that all members receive their McCloud Remedy details in ABSs. To support the completion of this work and to maintain the delivery of high-quality ABSs, the Department considers it prudent to propose extending this discretion for the 2025/26 and 2026/27 ABSs.

As this is a time-bound technical amendment required by 31 August 2026, the Department has conducted a focused consultation on the proposed Draft Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2026. This consultation involved NILGOSC and members of the LGPS (NI) Advisory Board (SAB). The membership of the SAB consists of representatives of both LGPS employers (NIHE, EA, Councils and Translink) and trade unions (GMB, NIPSA, Unite and Unison).

Previous Engagement with the Committee

A copy of the consultation document and the draft Regulations were considered by the Committee at its meeting on 19 March 2026. Members noted the content and made no comment. There has been no change in approach since that engagement.

Financial Implications

There are no financial implications for the Department. The LGPS (NI) is a funded public service pension scheme, in that both employers' and members' contributions are paid into a fund which is then invested to pay members' pensions.

Consultation

The Department conducted focused consultation beginning on 19 March 2026, which closed on 2 April 2026. As noted above, a copy of the consultation document is attached and was considered by the Communities' Committee at its meeting on 19 March 2026 and no concerns were raised. One response to the consultation was received and this respondent was supportive of the proposed changes and no objections were raised to the policy intent in the draft Regulations. A synopsis of the response and the Departmental response is also attached for information. The Department will make these Regulations as soon as possible.

Compliance with Section 24 of the Northern Ireland Act 1998

The Department considers that the proposals set out in the draft Regulations are compatible with the Human Rights Act 1998.

Consideration by the Executive

This matter is not required to be considered by the Executive Committee.

Equality Impact

The Department considers that the draft Regulations do not contain proposals that would create any significant adverse impact on the categories of persons listed in section 75 of the Northern Ireland Act 1998.

Regulatory Impact

The Department considers that the draft Regulations will not have a direct impact on businesses, charities, social economy enterprises or the voluntary sector.

Rural Needs Impact

The Department considers that the draft Regulations will not have any differential impact on people living in rural areas.

Data Protection Impact

The Department does not foresee any data protection impact in relation to these draft Regulations. The views received during the consultation will be categorised based on the type of organisation that supplied them (e.g. trade union, employer or scheme manager). No personal information will be requested or processed.

Child Rights Impact

A child rights impact assessment was not considered necessary because children are not eligible to be members of the pension scheme.

Position in Scotland, England and Wales (if appropriate).

The Scottish Public Pensions Agency is the policy lead for the LGPS (Scotland) and has decided not to legislate in this instance and is referring scheme managers to TPR guidance which provides for circumstances where scheme managers are unable to meet their duties and fulfil this requirement.

The Ministry for Housing, Communities and Local Government is the policy lead for the LGPS (England and Wales) and it is considering its options on the best way forward but is keen to keep pressure on scheme managers to deliver for members.

Any other information

N/A.

Proposed timing of consideration of the SL1

I confirm that the SL1 has been submitted to the Committee in accordance with the minimum four-week timeframe.

Proposed Operational Date

It is proposed that the rule will come into operation no later than 31 August 2026.

The draft Statutory Rule and Explanatory Memorandum are attached, and you may wish to bring this matter to the attention of the Committee for Communities.

Yours faithfully



Laura Coffey

Departmental Assembly Liaison Officer

Department for Communities

Human Rights Commission (All SL1s)

Equality Commission (All SL1s)