

Staff Bulletin 569

Date 30 January 2019

Pensions Update

Public service pension reform

On 20 December, the Court of Appeal determined that the transitional protections introduced in 2015 as part of reforms of the firefighters' and judges' pension schemes were age discriminatory and indirectly discriminatory on grounds of sex and race.

The Court also found that the decision to protect older firefighters and judges did not satisfy the test of objective justification, which required evidence to demonstrate that transitional protections introduced for older scheme members were a proportionate means of achieving a legitimate aim in relation to pension reform.

The Government has applied for leave to appeal the case, with a decision on whether the application will be allowed expected next month.

Whilst the implications for public sector pension schemes generally remains unclear, the latest defeat for the Government suggests that it is encouraging news for members of the MRC Pension Scheme who joined on final salary terms prior to 1 April 2018.

Member Nominated Trustees

There will be another opportunity to stand for election as a Member Nominated Trustee this year. Nomination packs will be sent to active and pensioner members in May.

Annual benefit statements

Annual pension statements will be issued in June this year. The statements will be based on membership and data held by JLT as at 31 March 2019 and will include information on the capital value of your MRC pension benefits relative to the Lifetime Allowance (LTA).

The LTA was increased from £1m to £1.030m with effect from 6 April 2018 and will increase further to £1.055m from 6 April 2019.

Pension savings statements

Pension savings statements will be sent to those affected by the £40,000 Annual Allowance on pension contributions in June.

Since April 2016, the Annual Allowance has been tapered for those with taxable income above £150,000. It is anticipated that those with earnings of less than £110,000 will not be affected, even after pension contributions are taken into consideration.

JLT produce these statements based on information provided to the pension scheme by your employer. If you have taxable income from other sources, it is possible that you could be affected by tapering if your total taxable earnings during the last tax year exceeded £110,000.

If you think this might be the case or you have benefits with other pension schemes, further guidance should be sought direct from HMRC or from an Independent Financial Adviser (IFA).

Annual report and accounts

The Scheme accounts for the year to 31 December 2018 are in the process of being finalised by JLT for audit by PwC in April. The audited accounts will be presented to the Trustees for approval when they meet on 27 June. A copy of the audited accounts will be available from the member website at www.mrcps.co.uk by Monday, 1 July.

A summarised version of the accounts and an interim funding update will be sent to all members in September.

Member Forum

There will be an opportunity to meet members of the Trustee Board at an open forum, which will be held at the Laboratory of Molecular Biology in Cambridge at 2.00 pm on 22 October.

Member website

The Trustees provide a website for all members at www.mrcps.co.uk. The site, hosted by JLT, contains helpful information and important scheme documents and can be accessed by all scheme members.

Jim Clerkin FPMI

Director of MRC Group Pensions

MRC is part of UK Research and Innovation (UKRI)