

Staff Bulletin 574

Date 28 June 2019

Pensions Update

Public service pension reform

Late last year, 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 Government sought leave to appeal the case, which has now been rejected by the Supreme Court. This means that the Court of Appeal's decision will be upheld, and the case will be returned to an employment tribunal for a detailed decision.

The latest defeat for the Government is positive news for members of the MRC Pension Scheme who joined on final salary terms prior to 1 April 2018. Any plans to reform this part of the Scheme should be considered shelved indefinitely.

Annual benefit statements

Annual statements for members entitled to final salary benefits were issued earlier in the week and are based on membership and data held by JLT as at 31 March 2019. For evaluation purposes, the statements have been produced using the Lifetime Allowance of £1,030,000. The Allowance was increased to £1,055,000 from 6 April 2019.

Statements for those who joined the Scheme with effect from 1 April 2018 and are entitled to benefits on a career average basis will be issued in July.

Member Nominated Trustees

There was an excellent response to the recent call for volunteers to become a Member Nominated Trustee (MNT).

The selection panel sat recently and approved the four nominations that had been received by the deadline set of 17 June.

The four candidates who will stand for election to fill the two positions available are:

Geoff Der
Mark Green
Ian Jackson
Louise McFarlane

MNT Voting Packs

Voting packs containing an election statement from each candidate will be sent to the home addresses of active members and pensioners (who previously were active members) by Friday, 26 July. Each member will be able to vote for two candidates.

Ballot papers must be returned by 30 August and the outcome of the election will be announced in September. Please do take the time to cast your vote.

Pension savings statements

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

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 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 have been finalised by JLT and audited by PwC. The audited accounts were presented to the Trustees for approval when they met on 27 June. A copy of the audited accounts will be available from the member website from 8 July.

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

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 forms which can be downloaded.

The site is undergoing review and is expected to be relaunched later in the year.

Jim Clerkin FPMI

Director of MRC Group Pensions

MRC is part of UK Research and Innovation (UKRI)