

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pension Fund Committee

**Date:** 09/09/2025

**Subject:** Annual benefit statements and McCloud implementation

**Report author:** Eleanor Dennis, Head of Pensions

**Responsible Director:** Sukvinder Kalsi, Director of Finance

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## SUMMARY

This report details the McCloud remedy and requirements for the Hammersmith & Fulham Fund and why there is a requirement for a decision from the Committee regarding the inclusion of the McCloud underpin to affected members of the Hammersmith & Fulham Pension Fund.

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## RECOMMENDATIONS

To approve the recommendation that the Hammersmith & Fulham Fund defers detailing the McCloud underpin until 31 August 2026 for the detailed groups for whom the calculation cannot be included in their 2024/25 annual benefit statement as a retrospective decision.

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**Wards Affected:** None

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Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

## Financial Impact

None

## Legal Implications

None

Angela Hogan, Chief Solicitor (Contracts and Procurement) 28<sup>th</sup> August 2025

## Background Papers Used in Preparing This Report

None

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### DETAILED ANALYSIS

#### Proposal

1. The McCloud regulations state that administering authorities have the discretion not to reflect McCloud protection in 2025 annual benefit statements.
2. Many of the software providers including that used by LPPA, Civica have had delays in implementing the required updates to systems to enable LPPA to deliver the annual benefit statements with the McCloud underpin by 31 August 2025 for all membership groups.
3. There has been some discussion as to whether the Fund's inability to send out all benefit statements with the McCloud underpin details by 31 August 2025 for all membership groups is a breach of the law.
4. The statutory guidance states that for most members the statutory guidance ends on 31 August 2025.
5. In August 2024, MHCLG laid the LGPS (Information) Regulations 2024 which detailed that annual benefit statement for active and deferred members, deferred pensioners and pension credit members. In which it removed the requirement to reflect McCloud protection in 2024 statements and the discretion on whether to use in 2025 annual benefit statement for individual groups and groups of members.
6. This is provided that the determination is made before the 31 August 2025 and that it is reasonable in all circumstances.
7. In August 2025, of the 3487 members due an annual benefit statement. LPPA have issued 3178 annual benefit statements, with potentially 276 at risk of not being sent out and a further 33 that will receive an annual benefit statement without the McCloud underpin detail. Those members affected are those with a pension sharing order, transfer ins/out, additional pension, aggregation, deceased members.
8. In mid August 2025, of the retrospective members i.e. those who are pensioners, transferred out, have deceased or have taken all their pension benefits as they had accumulated a small amount (trivial commutation). There are 1469 cases of which only 1354 are able to be sent out, leaving a remainder of 115 who will not receive an annual statement and will be notified on the reason why.

9. For the Hammersmith & Fulham Fund there is a total of 309 (11.2%) members affected by McCloud that LPPA are unable/or may be unable to receive an accurate annual benefit statement. by the 31 August 2025.
10. The recommendation is that the Hammersmith & Fulham Fund uses its discretion to delay the provision of an annual benefit statement to 31 August 2026.
11. The Pension regulator expects Fund's using this discretion inform the affected members.
12. The Fund is aware that given that August is not in the cycle of formal meetings for the pension Fund Committee that it was not possible to consider this recommendation ahead of the deadline. Therefore, the recommendation is being presented to the Pension Fund Committee to make the decision retrospectively in the September 2025 meeting.
13. The Fund understands that it may be required to share information about past service with other public service pension schemes because of the McCloud remedy.
14. LPPA will advise members if they will not receive a benefit statement to manage their expectations.

## **Reasons for Decision**

15. Approval and implementation of the discretion fulfils the pension funds right of discretion as detailed in the Department of Levelling up, Housing and Communities Councils, LGPS England and Wales – McCloud Implementation statutory guidance.
16. There is only a small number of the Hammersmith & Fulham population affected by this and most members have received this information in their annual benefit statement.
17. The Head of Pensions has asked LPPA for regular updates to allow progress to be monitored as part of the action plan.
18. The Head of Pensions has consulted with peers and LPPA and it is considered that despite this decision being made retrospectively after the regulatory deadline of the 31<sup>st</sup> August 2025, as this is not of material interest to the Pension regulator and therefore no self reporting has been or will be required by the Fund.

## **Equality Implications**

None

**Risk Management Implications**

None

**Climate and Ecological Emergency Implications**

None

**Procurement implications**

None

**LIST OF APPENDICES**

None