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Pensions tribunal win for judges is 'bad news' for public and private sectors

Annie Makoff 17 Jan 2017 0 comments



More than 200 judges win age, sex and race discrimination claims after younger judges hit by scheme changes

More than 200 judges whose pensions entitlements had been cut have won a legal case against the Ministry of Justice, which was found to have unlawfully discriminated against them.

The ruling – which was brought by High Court judges, crown court judges, district sheriffs and tribunal judges - held that they had suffered age, race and sex discrimination..

The case stems from the introduction in 2012 of new a judicial pension scheme that required employees to make pension contributions, as well as additional pension scheme cuts that reduced pension lump sums for new and younger judges. In 2016, the judiciary warned the changes were

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deterring "well-paid lawyers" from becoming judges.

Under the changes, younger judges were obliged to leave the judicial pension scheme in 2015 while older judges were able to remain in it. The pension changes amounted to age discrimination, the judges alleged, while two High Court judges made additional claims for gender and race discrimination.

Shubha Banerjee at Leigh Day, the law firm representing 204 of the judges, said: "Many of [these younger judges] sit alongside older judges who were appointed some years after them but who are, in effect, paid more purely because they are older. The fact that there is a significant number of female and BAME judges in the younger group simply compounds the unfairness of the changes that were made to judicial pensions."

Citing Judicial Office statistics, Banerjee noted that one-third of all judges in England and Wales last year were female, while only 7 per cent were black or had other ethnic minority backgrounds.

Laura Darnley, employment associate solicitor at HRC Law, told People Management that the ruling could have implications across other public sector organisations, particularly if pension changes cannot be justified.

"This case flags a risk to other public sector organisations if they can't demonstrate changes made to their pension entitlements are not discriminatory," she said. "Public sector organisations would be well advised to revisit any changes they have made to pensions now and ensure they can justify them.

"When it comes to pensions, the stakes are high for individuals and the risk posed by this decision is that this case starts to galvanise challenges by younger employees who feel they have been discriminated against."

Tony Clare, partner at Deloitte, said: "The tribunal judgment could have implications for previous public sector reforms. It is possible that the change could be revisited by pension scheme members across both the private and public sectors."

Fiona Tait, pensions specialist at pensions firm Royal London, said: "At a time when the cost of



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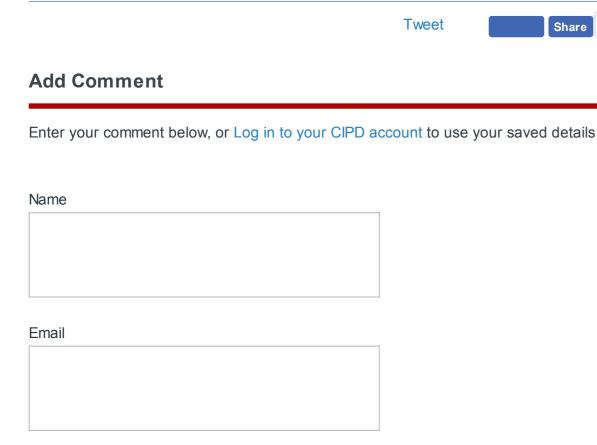
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providing pension benefits continues to increase, this case highlights the difficulty of changing benefit structures 'in flight'. On the one hand, the judges' pension arrangements are extremely generous and many people would feel they will be on a good deal under either pension arrangement. On the other it would be very concerning if this group, of all groups, were to be unable to win a case such as this."

Hamish Wilson, managing director of pensions consultancy HamishWilson, added: "When looking to reduce the cost of pension provision, it is usual to reduce it for younger people first because they have more time to make additional provision if they wish. So these implications will be bad news for private sector schemes, too."



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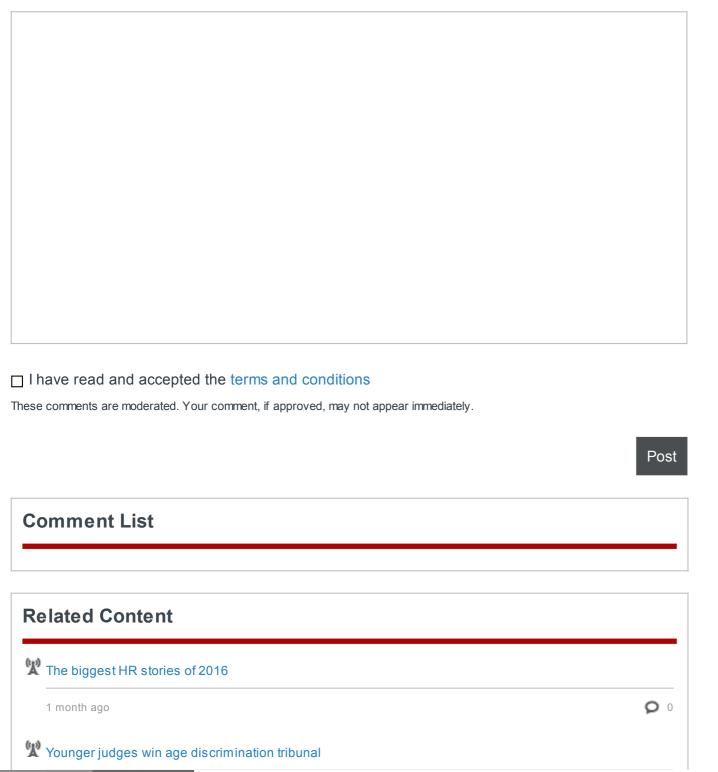
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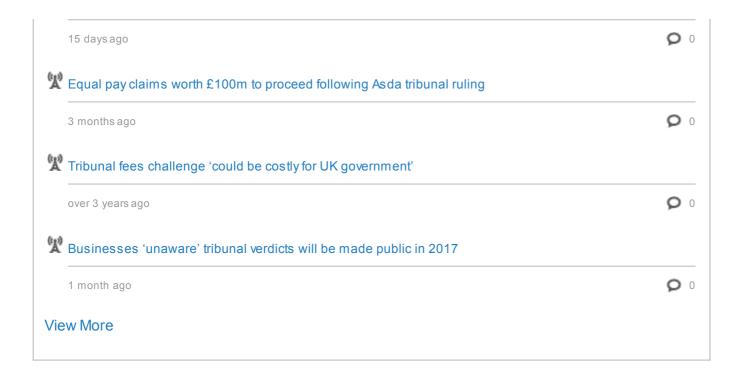
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