UK ASSOCIATION OF FEE PAID JUDGES

RESPONSE TO PROPOSALS FOR

A REFORMED JUDICIAL PENSION SCHEME CONSULTATION PAPER

1. We are writing with the response of the UK Association of Fee-Paid Judges to the Proposals for a Reformed Judicial Pension Scheme.
2. Notwithstanding the title of the Association, it is appropriate to note that our members are based almost entirely in England and Wales. Also that we do not represent those who are purely tribunal judges or magistrates, who have their own associations.
3. We have during the course of the consultation exercise asked a number of questions of the consultation team about how the reformed scheme is intended to operate, and we are grateful for the answers received (by e-mail on 3rd September and 25th September) .
4. We would ask that care be taken to ensure that the final version of the scheme contains clear provisions reflecting those answers, namely that

(1) The pension and lump sum built up by a judge to date (and to be built up to April 2022) will be fully protected.

(2)  If a fee-paid judge retires after April 2022, they will be entitled to the pension and lump sum accrued up to that date calculated as it is now on a formula  that takes into account pro rata reckonable service and pro rata the final salary of a full time judge. This will be the full time equivalent salary when they retire – any benefits accrued under FPJPS will retain the final salary link.

(3) If a member was receiving benefits under JPS 2015 before moving across to the reformed scheme, they would under this proposed scheme be able to commute a lump sum from the pension they had accrued.

1. The reformed scheme will mirror the rules set out for the NJPS concerning early retirement. Therefore, members may opt to make periodical payments to bring their pension into payment earlier, subject to a shortstop of 65. Like NJPS, the reformed scheme pension will be linked to the member’s State Pension age. If a member would like to draw their pension earlier than their State Pension age, they will have the right to draw their pension earlier, though not before the age of 55. Pension drawn before State Pension age (or the new effective pension age if payments have been made to do so) will be subject to an early retirement actuarial reduction, reflecting the fact the pension will be in payment for longer.
2. However, we would ask that the uniform contribution rate proposed be set around 3% rather than 4.26% for those earning under £52,392.The rate under both FPJPS and NJPS (net of tax) for fee-paid judges who earn up to £22,005 is 2.76% with the percentage contribution for those earning £22,005 to £52,392 under both schemes being 3.27%.
3. The same rates (allowing for tax treatment) were retained on the previous change of schemes (from FPJPS to NJPS) as a matter of reasonableness.
4. The vast majority of fee-paid judges will, we believe, earn under £52,392 (with a very large number earning under £22,005), and be disadvantaged, whilst all salaried judges will earn more than £52,393 and be benefited by the reformed uniform contribution rate. This means fee-paid judges will be disproportionately affected.
5. We cannot see any reason why there could not as a compromise be a uniform contribution rate of around 3% up to £52,000 and around 4.41% above that (being the lowest of the current contribution rates for such earnings), or such figures roughly in line with those currently in FPJS and NJPS as are needed to render these adjustments cost-neutral). There would then be two uniform rates, but only two, and this would represent a fairer scheme change.
6. A significant number of fee-paid judges (though by no means all) will subsequently enter the salaried judiciary, and we believe the changes to an unregistered scheme would be likely to make some people more likely to apply for full-time appointment, and possibly also aid retention. Subject to the adjustment we have suggested above – which we hope will be viewed constructively - we welcome the proposals.

STEVEN GASZTOWICZ QC (Chairman)

Recorder, criminal & civil, Deputy High Court Judge, QBD and ChD

PETER CAUSTON

Deputy District Judge, civil

YVETTE GENN

Recorder, family, and Deputy District Judge, civil

TIMOTHY JOHN

Deputy District Judge (crime), magistrates’ courts

Committee of the UK Association of Fee-Paid Judges