Judicial Pensions Scheme
Annual Report and Accounts
2024-25

(For the period 1 April 2024 to 31 March 2025)

HC 1085

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Background to the Judicial Pensions Scheme

During the financial year 2024-25, the Judicial Pensions Scheme (JPS) consisted of one principal judicial pensions scheme (JPS 2022), and four legacy schemes.

The 2022 Scheme (JPS 2022)

In order to equalise treatment across the judiciary and satisfy the Hutton principles for public service pension reform, JPS 2022 came into effect on 1 April 2022, closing all existing judicial pension schemes for accrual after 31 March 2022. Eligible judicial office holders automatically moved into JPS 2022 on 1 April 2022. JPS 2022 is an unfunded, Career Average Revalued Earnings (CARE) occupational pension scheme.

The following four legacy schemes closed for future accrual on 31 March 2022. Members who have accrued pensions under these schemes prior to that date will continue to receive benefits related to that service period under the terms of the legacy schemes.

The 1981 Scheme (JPA 1981)

Salaried judges appointed prior to 31 March 1995 usually participated in a scheme established under the Judicial Pensions Act 1981 (JPA 1981). JPA 1981 members had the right to elect to transfer into the 1993 JUPRA Scheme at any time up to six months after retirement. JPA1981 is an unfunded, final salary occupational pension scheme.

The 1993 Scheme (JUPRA)

Salaried judges appointed between 31 March 1995 and 31 March 2015 usually participated in a scheme established under the Judicial Pensions and Retirement Act 1993 (JUPRA). JUPRA is an unfunded, final salary occupational pension scheme.

The 2015 Scheme (JPS 2015)

The JPS 2015 was established under the Judicial Pensions Regulations 2015 and came into effect on 1 April 2015. From 1 April 2015 until 31 March 2022, all new eligible judicial office holders joined the JPS 2015 scheme unless they decided to opt out. Those in service on 1 April 2015 who did not have full or tapering transitional protection at the time also transferred into this scheme.

The Fee-Paid Judicial Pension Scheme (FPJPS)

The Fee-Paid Judicial Pension Scheme (FPJPS) was established under the Judicial Pensions (Fee-Paid Judges) Regulations 2017 and commenced on 1 April 2017. Fee-paid judicial office holders who were appointed before 1 April 2015 and who met membership criteria usually participated in this scheme.

The FPJPS was established following the O'Brien 1 (2013) litigation, which determined that fee-paid judges should be entitled to a pension. During the period between this litigation being decided and the FPJPS coming into force, MoJ made payments in lieu of pension (PiLs) to eligible judges who had retired, or died without retiring, and any relevant dependants in respect of their service.

Originally, only service from 7 April 2000 was included. However, the O'Brien 2 (2018) litigation determined that pre-7 April 2000 service should also be taken into account to align the treatment of salaried and fee-paid judges and on 1 April 2023, the FPJPS was amended to include this service.

During the period between the O'Brien 2 judgments and the 2023 amendments coming into force, MoJ also paid PiLs to judges who had retired, or died without retiring, in respect of this pre-2000 service. In addition, due to operational constraints exact pension entitlements could not be calculated immediately from 1 April 2023, so payments continued to be made on an approximated basis after that date, albeit that they were paid as pension rather than PiLs.

The 2023 amendments also inserted "pre-1995 provisions" that mirror the JPA 1981 provisions for eligible judges.

Transitional Protection

JPA 1981, JUPRA and FPJPS members with full transitional protection under Schedule 2 of the Judicial Pensions Regulations 2015 remained in their original JPS until 31 March 2022. Those with tapering transitional protection under these regulations had a choice of moving to JPS 2015 on 1 April 2015 or at the end of their taper period, until this process was stopped on 30 September 2019, following the Court of Appeal judgment in McCloud v the Ministry of Justice (MoJ).

The Judicial Pensions (Remediable Service etc.) Regulations 2023 came into force on 5 July 2023 and The Judicial Pensions (Remediable Service etc.)(Amendment) Regulations 2024 came into force on 24 January 2024. These regulations ensure that MoJ can implement a complete McCloud remedy for all eligible members. Further information on the McCloud Remedy is provided on pages 10 and 11.

All existing JPS members moved into the Judicial Pensions Scheme 2022 (JPS 2022) from 1 April 2022 and benefits built up in their previous judicial pension schemes were protected.

Eligibility and Accrual Rates

Scheme	Membership	Accrual Rate
JPA 1981	Eligible salaried judges with full or tapering transitional protection plus salaried judges in scope of the McCloud remedy who opt for JPA1981 service for the remedy period.	Maximum accrual rate 20/40ths after 15 years or 40/80ths after 20 years depending upon office held.
JUPRA	Eligible salaried judges with full or tapering transitional protection plus salaried judges in scope of the McCloud remedy who opt for JUPRA service for the remedy period.	Maximum accrual rate 20/40ths after 20 years.
FPJPS	Eligible fee-paid judges with full or tapering transitional protection plus fee-paid judges in scope of the McCloud remedy who opt for FPJPS service for the remedy period.	Maximum accrual rate 20/40ths after 20 reckonable years or after 15 reckonable years for some offices under the “Pre-1995 provisions”.
JPS 2015	Eligible salaried & fee-paid judges, including those who have tapered from the other JPS, unless they are in scope of the McCloud remedy and opt for JUPRA / FPJPS service for the remedy period.	2.32% of pensionable earnings each year. There is no limit to the amount of earned pension that can be accrued.
JPS 2022	All eligible salaried and fee-paid judges with service after 1 April 2022.	2.5% of pensionable earnings (or 2.42% of pensionable earnings for those in a qualifying post on 31 March 2022 who took up the option to pay a time limited contribution rate of 3% which ended 31 March 2025). There is no limit to the amount of earned pension that can be accrued.

Key Scheme Features

	JPA 1981	JUPRA	FPJPS	JPS 2015	JPS 2022
Maximum Benefit Accrual	15 or 20 years	20 years	20 years	No maximum	No maximum
Scheme Design	Final Salary	Final Salary	Final Salary	Career Average Revalued Earnings (CARE)	Career Average Revalued Earnings (CARE)
Normal Pension Age	70	65	65	State Pension Age (SPA)	State Pension Age (SPA)
Lump Sum	Automatic lump sum of 2 times annual pension	Automatic lump sum of 2.25 times annual pension	Automatic lump sum of 2.25 times annual pension	No automatic lump sum. Commutation option provided	No automatic lump sum. Commutation option provided
Tax Registered	No – no income tax relief on contributions or lump sums	No – no income tax relief on contributions or lump sums	No – no income tax relief on contributions or lump sums	Yes – income tax relief given on contributions and lump sums	No – no income tax relief on contributions or lump sums
Adult Dependent Benefits on Death of Member	50% of member pension paid to adult dependent	50% of member pension paid to adult dependent	50% of member pension paid to adult dependent	37.5% (plus enhancement factor) of member pension paid to adult dependent	37.5% (plus enhancement factor) of member pension paid to adult dependent
	Lump sum death benefit, calculated with reference to regulations on death of an active, deferred or pensioner member				

Judicial Service Award and Commutation Supplement

Members in the non-tax registered JPA 1981, JUPRA and FPJPS schemes receive a judicial service award (JSA), payable just before retirement, which compensates them for the tax payable on their lump sum, ensuring their net position is maintained. JSAs are paid by MoJ and are accounted for in the MoJ accounts. Similarly, members in JPS 2022 receive a commutation supplement (similar to the JSA) if part of the pension is commuted to a lump sum to compensate for the tax payable and ensure their net position is maintained. The commutation supplement is paid by the JPS and is accounted for in these accounts.

The Partnership Pension Account/Judicial Additional Voluntary Contributions Scheme

All members who were eligible to join the JPS 2015 could opt out and join the Partnership Pension Account (PPA) in lieu of joining the JPS 2015. Members who opted to join the PPA are no longer members of the JPS, however they were offered the option of transferring their PPA to JUPRA (and surrendering their PPA) as part of the McCloud remedy.

Members of JPS 2022 cannot join the PPA. However, members can increase their retirement benefits by making additional contributions into the Judicial Additional Voluntary Contributions Scheme (JAVCS). The JAVCS cannot be used to purchase additional benefits in JPS 2022, as it is a separate tax-registered, defined contribution scheme. Contributions will therefore attract tax relief and pension benefits count towards an individual's annual allowance.

Contributions made to the scheme are invested with an authorised independent pension provider. They invest the member's contributions as requested by the member according to a range of investment options. The fund which is generated can be used to purchase pension benefits for the scheme member or their dependants. Contributions, benefits and investment assets relating to external JAVCS are not recorded within the JPS accounts. Further information is disclosed in Note 10 AVCs.

Enhancing JPS Retirement Benefits

Serving members of the JPA 1981, JUPRA and FPJPS schemes can increase their scheme entitlement by making additional contributions to one of three Additional Voluntary Contribution (AVC) facilities within the JPS. These are the Judicial Added Benefits Scheme, the Judicial Added Years Scheme and the Added Surviving Adult's Pension Scheme. These three arrangements in the salaried legacy schemes were closed to new subscribers with effect from 6 April 2006.

For equality of treatment between salaried and fee-paid judges, subject to eligibility requirements, FPJPS members who held an eligible judicial office between 31 March 1995 and 6 April 2006 may contribute to the Fee-Paid Judicial Added Years Scheme (FPJAYS) / the Fee-Paid Judicial Added Surviving Adult's Pension Scheme (JASAPS) in respect of their service post-1995 and the Fee-Paid Judicial Added Benefits Scheme (JASABS) in respect of their service pre-1995. They may only make contributions to the JASAPS during periods of service in qualifying judicial office during which they have a spouse or civil partner.

There were two internal AVC arrangements available to JPS 2015 members. These are the Added Pension Option and the Effective Pension Age Option. Neither are available to JPS 2022 members. However, where a pre-existing arrangement is deemed to be in place on transition from JPS 2015 to JPS 2022, contributions to Added Pension can continue to be made. AVC contributions and retirement benefits are reported within the JPS accounts.

Cost Control Mechanism

A key feature of the reforms to public service pensions following the Independent Public Service Pensions Commission's 2011 report was the inclusion of a cost control mechanism (CCM) to ensure affordability. The CCM functions by setting expected employer costs of the scheme as a percentage of pensionable pay. The CCM only considers past and future service in JPS 2022, with legacy scheme costs excluded. All judicial pension scheme service from 1 April 2022 onwards will be included in the CCM.

The 2020 valuation was finalised in February 2024. Further information, and a link to the Valuation Report can be found in 'Key Developments in the Year', on page 11.

Under the CCM, at future valuations, costs will be assessed against the employer cost cap of 33.1% of pensionable pay. This has been reflected in the Judicial Pensions (Amendment) Regulations 2024 which came into force during the current year, on 17 December 2024. The CCM will be tested for the first time during the 2024 valuation.

Lord Chancellor's Pensions

In addition, the JPS Accounts include pensions paid to former Lord Chancellors under the Lord Chancellor's Pension Act 1832, as amended.

Funding

Funding Sources

JPS benefits are paid from two sources. Under statute, certain judicial post-holders' basic pension benefits (but not the annual pension increase) can only be paid out of the Consolidated Fund. For other JPS members, the pension benefits are paid from Judicial Pensions Scheme Estimates voted by Parliament.

The JPS accounts include all relevant expenditure and income relating to the payment of judicial pension benefits.

Contributions into the JPS

The cost of benefits accruing for each year of service is shared between the appointing bodies and the judicial office holders. For the appointing bodies, the contribution rate was 62.55% of pensionable pay for 2024-25 (2023-24: 51.35%), which includes an administration charge of 0.25%. This contribution rate will remain in place for the period from 1 April 2024 to 31 March 2027.

Since the introduction of the JPS 2022, the pension contribution rate has remained 4.26% of pensionable pay, with members who were in a qualifying post on 31 March 2022 having the option to pay a reduced rate of 3% until 31 March 2025. This option period has now expired, and all members are now subject to the common contribution rate of 4.26%, with effect from 1 April 2025.

Contributions to the JPS by appointing bodies are set at rates determined by the Government Actuary's Department (GAD) and approved by the MoJ after consideration by the Judicial Pension Board. Contributions to the JPS by members are set at a rate set out in secondary legislation. The contributions partially fund payments made by the JPS, the balance of funding being provided by Parliamentary Vote (through the annual supply estimates process) and directly from the Consolidated Fund (in respect of the higher judiciary).

Pension Increases

Annual increases are applied to pension payments in accordance with the Pensions (Increase) Act 1971 at the rate detailed in the annual pension increase order. In accordance with the Pensions Increase (Review) Order 2025, the annual rate of increase is 1.7% with effect from 7 April 2025 (6.7% for the Pensions Increase (Review) Order 2024, from 8 April 2024).

The in-service revaluation of the CARE schemes (JPS 2022 and JPS 2015) will take effect from 1 April 2025 and reflects an increase of 1.7%. Last year, the in-service revaluation of JPS 2022 and JPS 2015 was 6.7%, effective from 1 April 2024.

Financial Position

Movement at 31 March 2025

At 31 March 2025 the JPS had long-term liabilities of £4,771m (31 March 2024: £4,514m), an increase of £257m. The increase in the pension liability is mainly due to changes in financial assumptions.

The discount rate and rate of pension increase are determined by HM Treasury each year. The general pay increase is an estimate from GAD, the reasonableness of which is considered and approved by the JPS Finance Committee each year.

The biggest impact on the movement in pension liability is from the total actuarial loss of £37m for 2024-25 (2023-24: £241m gain), a movement of £278m. This is mainly due to the loss arising this year from changes in the financial assumptions mentioned below and the loss arising from annual pay increasing by 6% compared to the forecast of 3.55%.

The discount rate increased slightly from 5.10% to 5.15% and the assumed rate of general pay increase decreased from 3.55% to 3.40%, both of which decrease the value of liabilities. This is offset by the change in CPI index between September 2024 and March 2025 of 1.71% which increases the assumed future pension increase rate, along with the increase of assumed rate of future pension increases from 2.55% to 2.65%, both of which increase the value of liabilities. Last year the higher actuarial gain was as a result of a much larger increase in the discount rate from 4.15% to 5.10%.

In addition, this year reflects a total past service cost of £50m (2023-24: £10m past service gain). This is due to recognising a liability for potential future litigation arising of £47.3m and additional McCloud related costs for Northern Ireland members of £2.7m.

The interest cost for 2024-25 is £229m (2023-24: £190m) and is calculated by applying the opening discount rate at 1 April 2024 (which is equivalent to the rate as at 31 March 2024) to the liability brought forward at 1 April 2024. This is approximated as 5.10% of £4,514m (2023-24: 4.15% of £4,584m).

The current service cost (CSC) for 2024-25 is £198m (2023-24: £214m). The CSC is calculated by applying the cost of pensions as at 1 April 2024 over the year (which is equivalent to the rate as at 31 March 2024) to the annual payroll figure. The increase in the discount rate net of CPI inflation at 31 March 2024 to 2.45% (31 March 2023: 1.70%), decreases the service cost as a percentage of pay.

To a lesser extent, there was also a decrease in the value of liabilities resulting from changes to the mortality assumptions. This was driven by the update to the assumed mortality improvements in the ONS 2022-based projections.

Overall, in 2024-25 total expenditure for the JPS was £89m less than the total budgeted amount within the Supplementary Estimate. This is referred to in more detail in the narrative in the Statement of Outturn against Parliamentary Supply on page 35.

Trends in outturn

The table below represents a five-year summary of the movements in the net expenditure (AME) and the negative net cash requirement (NCR) outturns since 2020-21.

Type of spend	2024-25 outturn £m	2023-24 outturn £m	2022-23 outturn £m	2021-22 outturn £m	2020-21 outturn £m
Net AME	154	162	111	228	247
NCR	(150)	(113)	(126)	(123)	(112)

Outturn for 2024-25 is explained further in the Statement of Outturn against Parliamentary Supply on pages 33 to 37. Outturn dipped in 2022-23 mainly due to a large negative past service cost reducing the pension liability for O'Brien and Miller litigation costs. Further detail on each year's outturn can be found in the relevant JPS Annual Report and Accounts, within Parliamentary Accountability, Statement of Outturn against Parliamentary Supply.

Administration

The Lord Chancellor is the scheme manager for the JPS with functions in relation to administration exercised by the MoJ Director of Financial Management, Control, Risk and Governance.

Xafinity Punter Southall Administration Limited (XPS), a company under registration number 9428346, is currently appointed to deliver the JPS pension administration and pensioner payroll service.

Production of this Annual Report and Accounts for the JPS is undertaken by the MoJ, drawing on management information from XPS and other relevant parties.

There are no external legal advisers appointed by the Scheme. Legal matters are administered by the MoJ, with advice from the Government Legal Department.

Key developments in the year

The Judicial Pensions (Amendment) Regulations 2024

The Judicial Pensions (Amendment) Regulations 2024 came into force on 17 December 2024 following public consultation. These amendments: inserted the employer cost cap in JPS 2022 following the first scheme valuation; made several technical amendments across the schemes; extended some deadlines for the provision of illustrations to members for future elections required in the Fee Paid Judicial Pension Scheme; and added further eligible offices to FPJPS, JPS 2015 and JPS 2022. A summary of the key changes can be found in the consultation and government response: The Judicial Pensions (Amendment) Regulations 2024: Government Response.

Enrolment and contribution collection for prior periods

During 2024-25, the Scheme established that the powers in the JPS 2015, JPS 2022 and (in part) FPJPS regulations do not allow for the retrospective collection of member contributions (i.e. collection of contributions in a period other than that in which they fell due). Amendments to the regulations are needed to rectify this situation. MoJ intends to prepare amendment regulations which are expected to be laid before Parliament and subject to debate in late 2025.

Fee-paid Judicial Office Holders

On 1 April 2023 the Judicial Pensions (Fee-Paid Judges) (Amendment) Regulations 2023 came into force, allowing for all qualifying past service of fee paid members of the judiciary to be eligible for a pension. Previously, only service from 7 April 2000 was used for the calculation of pension payments, with payments in lieu of pension being calculated and paid by MoJ to members for service before this date. The amendment regulations now allow for pension payments to be made for service prior to 2000, meaning that the JPS complies with the terms of the European Court of Justice judgments in O'Brien v MoJ (O'Brien 2, 2018) and Miller v MoJ (2019).

In 2025-26, a comparison of previous payments in lieu of pensions to amounts due under the amended FPJPS regulations will be undertaken. This exercise will also provide some members with a choice between the provisions under which their service spanning across the period before and after 1995 will be settled, and planning for illustration of the difference has been undertaken during 2024-25. The current pension liability includes the liability relating to O'Brien/Miller and this is detailed on page 64.

During the current year, MoJ has been settling priority cases and planning the project.

Transitional Protection (McCloud)

In December 2018, the Court of Appeal ruled that the JPS 2015 transitional protection provisions were unlawful on grounds of age discrimination (McCloud v MoJ). The Supreme Court issued a decision in June 2019 rejecting the government's application for permission to appeal.

The Judicial Pensions (Remediable Service etc.) Regulations 2023 came into force on 5 July 2023 and The Judicial Pensions (Remediable Service etc.) (Amendment) Regulations 2024 came into force on 24 January 2024. These regulations ensure that MoJ can implement a complete McCloud remedy for all eligible members.

In addition, the Public Service Pensions Exercise of Powers Compensation and Information Directions 2022 sets out the losses for which compensation is payable and enables these to be paid by pension schemes, rather than the employer. In accordance with HM Treasury Directions compensation costs cannot be included in future scheme valuations or in calculations for the Cost Control Mechanism. Therefore, compensation is recorded as a separate provision in the Statement of Financial Position, the Statement of Comprehensive Net Expenditure and in Note 14 Provisions.

Members in scope of the McCloud remedy (generally those in post on 31 March 2012 and who had more than 10 years to pension age on that date) have been participating in an options exercise. Their option allows them to make a retrospective choice of pension scheme membership for the period 1 April 2015 until 31 March 2022. The choices available are to move ‘back’ to the relevant pre-2015 scheme (the “legacy scheme”) or to remain in JPS 2015. The choices of the original group of McCloud litigants have already been implemented.

This commenced in October 2023, and continued into 2024-25, with only a small number of elections still to be made at the end of the year. The majority of the tax adjustments for those that have made election choices have now been made.

Scheme Valuation

The 2020 valuation was finalised in February 2024 and has been published at: https://assets.publishing.service.gov.uk/media/65c4ab543f634b001242c6c5/jps-2020-valuation-report-7-february-2024.pdf.

The key results, as implemented in 2024-25, were a change to the employer contribution rate from 51.35% to 62.55% (both including the 0.25% admin charge), effective during the implementation period of 1 April 2024 to 31 March 2027 and the introduction of the employer cost cap of 33.1% of pensionable pay. Work is already underway in preparing the 2024 scheme valuation. The employer cost cap will be tested for the first time at the 2024 valuation and is explained in more detail on page 9 of the 2020 Valuation Report.

Membership Statistics

JUPRA and JPS 1981 schemes (salaried)	Active members	Active salary link members	Deferred members	Pensioner members	Total membership
Members at 31 March 2024	-	932	43	2,952	3,927
New joiners (incl. late notifications and new joiners following McCloud judgment)	-	351	-	-	351
Members who became true deferred	-	(5)	5	-	-
New deferred records created following McCloud judgment	-	-	3	-	3
New pension credit members	-	-	-	3	3
Members who retired (incl. pension credit)	-	(98)	(6)	104	-
Members who died	-	(2)	-	(97)	(99)
New spouse and children's pensions	-	-	-	46	46
Pensions ceased/suspended	-	-	-	(9)	(9)
Adjustments from deferred	-	4	(4)	-	-
McCloud option 2 elected for JPS 2015 Scheme	-	(1)	-	-	(1)
Members at 31 March 2025	-	1,181	41	2,999	4,221

JPS 2015 (salaried and fee-paid)	Active members	Active salary link members	Deferred members	Pensioner members	Total membership
Members at 31 March 2024	-	5,447	289	111	5,847
New joiners (inc. late notifications and those following McCloud judgment)	-	43	-	-	43
Members reinstated to JUPRA/FPJPS following McCloud judgment	-	(1,766)	(55)	(20)	(1,841)
Members who became true deferred (incl. late notifications)	-	(166)	166	-	-
Members who retired (incl. pension credit)	-	(12)	(5)	17	-
New pension records created following McCloud judgment	-	-	-	3	3
Members who died	-	(5)	(2)	-	(7)
New spouse and children's pensions	-	-	-	12	12
New pension credit members	-	-	-	1	1
Exit - no liability	-	(4)	(1)	(1)	(6)
Exit - refund	-	(1)	(1)	-	(2)
Adjustments - status changed from exit to salary link/deferred	-	6	1	-	7
Adjustments - status changed from deferred/pensioner to salary link	-	3	(2)	(1)	-
Members at 31 March 2025	-	3,545	390	122	4,057

Fee Paid Judicial Pension Scheme	Active members	Active salary link members	Deferred members	Pensioner members	Total membership
Members at 31 March 2024	-	4,490	330	3,973	8,793
New joiners (incl. late notifications and new joiners following McCloud judgment)	-	314	24	18	356
Members who became true deferred (incl. late notifications)	-	(24)	24	-	-
Members who retired (incl. pension credit and late notifications)	-	(234)	(11)	245	-
Members who died	-	(5)	(1)	(46)	(52)
New spouse and children's pensions	-	-	-	45	45
Pensions ceased/suspended	-	-	-	(11)	(11)
Adjustments from pensioner to salary link	-	1	-	(1)	-
Adjustments from deferred to salary link	-	38	(38)	-	-
Records closed to exit no liability	-	(23)	-	(4)	(27)
Record deleted	-	(1)	-	-	(1)
Adjustments to pensioner - reinstatements	-	-	-	2	2
McCloud option 2 - elected for JPS 2015	-	(1)	-	-	(1)
Miller adjustments	-	(150)	(15)	147	(18)
Members at 31 March 2025	-	4,405	313	4,368	9,086

JPS 2022 (salaried and fee-paid)	Active members	Active salary link members	Deferred members	Pensioner members	Total membership
Members at 31 March 2024	7,170	322	177	432	8,101
New joiners (incl. late notifications and new joiners)	721	22	4	3	750
New pension credit members	-	-	1	-	1
Active members moving to salary link	(235)	235	-	-	-
Deferred members moving to salary link	-	5	(5)	-	-
Leavers entitled to a refund	(1)	-	-	-	(1)
Exit - no liability records	(64)	(6)	(4)	(1)	(75)
Members who became true deferred	(113)	(2)	118	(3)	-
Members who retired (incl. pension credit)	(257)	-	(36)	293	-
Members who died	(8)	-	-	(7)	(15)
Pension ceased/suspended	-	-	-	(2)	(2)
New spouse and children's pensions	-	-	-	29	29
Adjustment - status updated to trivial commutation	-	-	-	(2)	(2)
Deferred member who took trivial commutation	-	-	(4)	-	(4)
Exit - opted out	(2)	-	-	-	(2)
Adjustment - deleted record	(25)	(1)	-	-	(26)
Adjustment - status updated to exit - opted out	-	-	(1)	-	(1)
Adjustment - status updated to active	2	(1)	(1)	-	-
Adjustment - status updated from exit	-	-	1	1	2
Members at 31 March 2025	7,188	574	250	743	8,755

All active member records are now in JPS 2022. 'Active Salary Link' members are members who are active in JPS 2022, with a prior period of service in another scheme maintaining a salary link to their current service. Minor adjustments across schemes were made following regular ongoing data cleansing and verification activity by the pension scheme administrator. For FPJPS, Miller adjustments reflect a movement from 'active salary link' and 'deferred' to 'pensioner', with an overall reduction in the total membership of 18. This reduction reflects further administration system updates which have been accounted for this year.

The other notable changes are adjustments to membership following McCloud elections being implemented. These changes are reflected as negative adjustments in JPS 2015 and positive adjustments in FPJPS and JUPRA. The total negative adjustments in JPS 2015 is higher than the total positive adjustments across FPJPS and JUPRA in respect of McCloud elections because, in some circumstances, a record already existed in those schemes for the relevant member's judicial office and the McCloud election simply extended their reckonable service in that existing membership.

External Audit

These financial statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General, whose opinion is expressed in the certificate and report of the Comptroller and Auditor General to the House of Commons. During the year no payment was made to the auditors for non-audit work (2023-24: £nil). The notional cost for the audit of these financial statements in 2024-25 is £174,400 (2023-24: £160,000) and is accounted for in the MoJ Annual Report and Accounts 2024-25.

Events after the reporting period

In accordance with the requirements of IAS 10 Events After the Reporting Period, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Following last year's Court of Appeal judgment in Virgin Media Limited v NTL Pension Trustees Limited, on 5 June 2025 the government announced it would introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The Scheme will therefore work with its advisers to understand whether a review of historic s 37 confirmations is required and if necessary, undertake such a review.

There were no other events between the end of the reporting period and the date the financial statements were authorised for issue that would be considered to significantly affect these accounts.

Information for Members

Managers

Accounting Officer: Permanent Secretary, Ministry of Justice, 102 Petty France, London, SW1H 9AJ

JPS Manager Representative: Director, Financial Management, Control, Risk and Governance, Ministry of Justice, 102 Petty France, London, SW1H 9AJ

Administrators & Advisers

Pension Administrators: Xafinity Punter Southall Administration Ltd,
Phoenix House, 1 Station Hill, Reading, RG1 1NB.

Scheme Actuary: Government Actuary's Department, 10 South Colonnade, Canary Wharf, London, E14 4PU

Bankers: The Government Banking Service, Southern House, 7th Floor, Wellesley Grove, Croydon, CR9 1WW

Providers of external Additional Voluntary Contributions: The Prudential Assurance Company Ltd, 10 Fenchurch Avenue, London, EC3M 5AG.

Auditors

Comptroller and Auditor General, National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP

Appointing or Administering Bodies

As at 31 March 2025 the following bodies participated in the JPS:

- HM Courts and Tribunals Service
- Competition Appeal Tribunal
- Intellectual Property Office
- The Supreme Court
- Northern Ireland Courts and Tribunals Service
- Scottish Government
- Welsh Government
- City of London Corporation
- Department for Communities and Local Government for the Valuation Tribunal Service

Further Information
Any enquiries about the JPS should be addressed to judicialpensions@justice.gov.uk, or by post to:

Judicial Pensions Scheme
Pensions Operations Team
Third Floor, 10 South Colonnade
Canary Wharf
London E14 4PU

Resource Accounts from 2004-05 onwards can be found within the House of Commons Papers sections, at: www.official-documents.gov.uk/menu/browseDocuments.htm

Dr Jo Farrar CB OBE
Accounting Officer
Date: 3 July 2025

REPORT OF THE ACTUARY

Introduction

This statement has been prepared by the Government Actuary's Department (GAD) at the request of the Ministry of Justice (MoJ). It provides a summary of GAD's assessment of the scheme liability in respect of the Judicial Pension Scheme (JPS) as at 31 March 2025, and the movement in the scheme liability over the year 2024-25, prepared in accordance with the requirements of Chapter 12 of the 2024-25 version of the Financial Reporting Manual.

The JPS is a defined benefit scheme providing pension and lump sum benefits on retirement, death and resignation. The scheme is wholly unfunded. I am not aware of any informal practices operated within the scheme which lead to a constructive obligation.

The assessment has been carried out by calculating the liability as at 31 March 2020 based on the data provided as at 31 March 2020 and rolling forward that liability to 31 March 2025.

Rolling forward the liability over a period of five years might act to introduce more uncertainty than using a more recent data set with a lower roll-forward period. However, as there is no intentional bias in the roll-forward methodology, any liability differences between the roll-forward methodology and actual experience could be higher or lower. It is anticipated that the liability as at 31 March 2026 will be calculated using a more recent data set.

Membership data

Tables A to C summarise the principal membership data as at 31 March 2020 used to prepare this statement.

Table A – Active members

	Number	Total pensionable pay* (p.a.)
		£ m
Males	6,075	234.6
Females	4,007	135.5
Total	10,082	370.1

* Pensionable pay is the actual figure

Table B – Deferred members

	Number	Total deferred pension* (p.a.) £ m
Males	91	0.6
Females	54	0.3
Total	145	0.9

* Pension amounts include the pension increase granted in April 2020

Table C – Pensions in payment

	Number	Annual pension* (p.a.) £ m
Males	2,710	109.2
Females	593	17.7
Spouses & dependants	687	16.9
Total	3,990	143.8

* Pension amounts include the pension increase granted in April 2020

Methodology

The present value of the liabilities as at 31 March 2025 has been determined using the Projected Unit Credit Method (PUCM), with allowance for expected future pay increases in respect of active members, and the demographic and financial assumptions applying as at 31 March 2025. The current service cost (expressed as a percentage of pensionable pay) in respect of accruing costs in the year ended 31 March 2025 was determined using the PUCM and the demographic and financial assumptions applicable at the start of the year, that is, those adopted as at 31 March 2024 in the 2023-24 accounts.

This statement takes into account the benefits normally provided under the scheme, including age retirement benefits, ill-health retirement benefits and benefits applicable following the death of the member. It does not include the cost of injury benefits (in excess of ill-health benefits). It does not include premature retirement and redundancy benefits in respect of current active members, although the assessment of liabilities includes pensions already in payment in respect of such cases.

Financial assumptions

The principal financial assumptions adopted to prepare this statement are shown in Table D.

Table D – Principal financial assumptions

Assumption	31 March 2025 p.a.	31 March 2024 p.a.
Nominal discount rate	5.15%	5.10%
Rate of increase in CPI inflation (informing increases to pensions in payment, deferred pensions and CARE revaluation)	2.65%	2.55%
Rate of general pay increases	3.40%	3.55%
Rate of short-term general pay increase	n/a	n/a
Real discount rate in excess of:		
• CPI inflation	2.40%	2.45%
• Long–term pay increases	1.65%	1.45%
Expected return on assets	n/a	n/a

The assumptions for the discount rate and pension increases are specified by HM Treasury in the PES (2024) 09, dated 3 December 2024, and remain unchanged for these accounts. The PES assumptions reflect market conditions at the previous 30 November and are typically not amended for any changes between November and the accounting date.

The long-term salary assumption is set by MoJ, having taken actuarial advice, and is intended to be an average over the future careers of scheme members, with a recognition that increases in any particular year may be lower or higher than the assumption. The assumption allows for a reduction in our view of the long-term salary increases as well as lower short-term forecasts from the Office for Budget Responsibility (relative to CPI inflation).

The assessment of the liabilities allows for the known pension increases up to and including April 2025.

Additionally, for the accounts as at 31 March 2025, allowance has been made for known inflation experience up to March 2025 to inform, in part, the pension increase that is expected to apply in April 2026. This is consistent with the approach taken for the accounts as at 31 March 2024.

Demographic assumptions

Table E below summarises the mortality assumptions adopted to prepare this statement, which were derived from the specific experience of the scheme membership, and other relevant sources. The table refers to the standard mortality tables prepared by the Continuous

Mortality Investigation (part of the Actuarial Profession) known as the ‘S3 tables’ with the percentage adjustments to those tables derived with reference to scheme experience.

Table E – Post-retirement mortality assumptions

Baseline mortality	Standard table	Adjustment
Males	S3NMA_L	97%
Females	S3NFA_L	93%

These assumptions in Table E above, and the other demographic assumptions such as commutation and family statistics, are in line with those adopted for the 31 March 2020 funding valuation of the scheme. Note that the accounts as at 31 March 2024 were also based on the assumptions adopted for the 2020 valuation.

Mortality improvements are assumed to be in line with the 2022-based projections for the United Kingdom published by the ONS in January 2025. This represents an update to the assumption used for the 2023-24 accounts, where 2020-based improvements were used. Adopting the latest ONS 2022-based mortality projections for setting mortality improvements has also affected the liabilities disclosed. The impact is different for male and female members and also differs by age, due to the resulting changes in life expectancies.

The scheme’s actuarial factors were updated in 2023-24 and remain in force. Consistent to the accounts calculations as at 31 March 2024, these have been allowed for in calculating the accounting position as at 31 March 2025.

Liabilities

Table F summarises the assessed value as at 31 March 2025 of benefits accrued under the scheme prior to this date based on the data, methodology and assumptions described above. The corresponding figures for the previous year are shown for comparison. The liabilities at 31 March 2024 and 2025 both include an allowance for the higher cost of benefits accruing under McCloud.

Table F – Statement of Financial Position

	31 March 2025 £ million	31 March 2024 £ million
Total market value of assets	nil	nil
Value of liabilities	4,771	4,514
Surplus/(Deficit)	(4,771)	(4,514)
of which recoverable by employers	n/a	n/a

Accruing costs

The cost of benefits accrued in the year ended 31 March 2025 (the current service cost) is assessed as 41.4% of pensionable pay.

For the avoidance of doubt, the actual rate of contributions payable by employers and employees is not the same as the current service cost assessed for the accounts. Members typically contributed 4.26% of pensionable pay, though members could opt for a lower contribution rate of 3%, with an associated lower rate of benefit accrual, until 31 March 2025. The actual employer contribution rate was determined as part of a funding valuation using different assumptions. Table G shows the employer and employee contributions during the year 2024-25 as a percentage of pensionable pay and compares the total contributions with the current service cost assessed for the 2024-25 accounts.

Table G – Contribution rate

	2024-25 % of pay	**2023-24 % of pay**
Employer contributions ([1])	62.3%	51.1%
Employee contributions (average)	4.2%	4.1%
Total contributions	**66.5%**	**55.2%**
Current service cost (expressed as a % of pay)	**41.4%**	**47.4%**

The key difference between the assumptions used for funding valuations and accounts is the discount rate, although price inflation and salary increases are also determined differently. The discount rate for accounts is set each year by HM Treasury to reflect the requirements of the accounting standard IAS 19 Employee Benefits.

The pensionable payroll for the financial year 2024-25 was £479 million (derived from contributions payable by employers over the year). Based on this information, the accruing cost of pensions in 2024-25 (at 41.4% of pay) is assessed to be £198 million.

The current service cost of £198 million can be split as follows:

- Consolidated Fund: £89 million (45%)
- Vote: £109 million (55%)

Past service costs arise when an employer undertakes to provide a different level of benefits than previously promised. A past service cost of £50 million has been determined this year, which is made up of the following:

- A small reduction in the expected costs in respect of the Southby litigation remedy
- Liabilities in respect of other potential litigation remedies

[1] In addition, employers contributed 0.25% of pay in respect of administration expenses.

- The impact of McCloud elections made by members of the Northern Ireland 2025 pension scheme

I am not aware of any events that have led to a material settlement or curtailment gain or loss over 2024-25.

Sensitivity analysis

The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. In recognition of this uncertainty, I have been asked to indicate the approximate effects on the actuarial liability as at 31 March 2025 of changes to the most significant actuarial assumptions.

The most significant financial assumptions are the discount rate, general earnings increases and inflationary increases (currently based on CPI). A key demographic assumption is pensioner mortality.

Table H shows the indicative effects on the total liability as at 31 March 2025 of changes to these assumptions (rounded to the nearest 0.5%). The discount rate sensitivity shown implies a scheme duration of c.12 years.

Table H – Sensitivity to significant assumptions

Change in assumption		Approximate effect on total liability	
Financial assumptions			
(i) discount rate*:	+0.5% p.a.	- 5.0%	- £239 million
(ii) (long-term) earnings increase*:	+0.5% p.a.	+ 0.5%	+ £24 million
(iii) inflationary (CPI) increases*:	+0.5% p.a.	+ 5.0%	+ £239 million
Demographic assumptions			
(iv) additional 1 year increase in life expectancy at retirement		+ 4.0%	+ £191 million

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability

COVID-19 and climate change

COVID-19 and climate change are areas where there remains significant uncertainty, which could affect both future economic and demographic experience. In line with previous years, the assumptions used in the preparation of the 2024-25 Resource Accounts allow for the current impacts of COVID-19 and climate change to the extent that they are reflected in the market data used to set or derive assumptions.

The 2020-based population mortality projections allowed for the short-term impacts of COVID-19 for 2019 to 2024 in line with the average views of an expert independent panel. The 2022-based population projections consider COVID-19 as a mortality shock event, applying an appropriate short-term adjustment rather than projecting its effects forward. Death rates from COVID-19 in excess of that already allowed for in the mortality assumptions and reflected in the membership data would emerge as an experience gain in future years' accounts.

Rob Fornear FIA C.Act
Actuary
Government Actuary's Department
15 May 2025

STATEMENT OF THE ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Judicial Pensions Scheme (JPS) to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the JPS and of its income and expenditure, financial position and cash flows for the financial year.

The financial statements are required to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities that govern them. In addition, the financial statements must be prepared so as to ensure that the contributions payable to the JPS during the year have been paid in accordance with the JPS rules and the recommendations of the actuary.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM, have been followed and disclose and explain any material departures in the financial statements
- prepare the accounts on a going concern basis

HM Treasury has appointed the Permanent Secretary of the Ministry of Justice as Accounting Officer for the JPS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the JPS are set out in Managing Public Money, published by HM Treasury.

Statement on the disclosure of relevant audit information

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that JPS' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Accounting Officer Confirmation

Based on the assurances received through the arrangements outlined within the Governance Statement below, I confirm that the Annual Report and Accounts are fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

GOVERNANCE STATEMENT

Scope of Responsibility

As the Permanent Secretary of the MoJ, I am the Accounting Officer for the Judicial Pensions Schemes (JPS).

It is my responsibility to ensure that the JPS has effective governance arrangements in place; these are described below. I am also responsible for ensuring that the system of internal control supports the achievement of policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with HM Treasury Managing Public Money.

As the Accounting Officer for the MoJ, I work with ministers and senior MoJ management through the departmental board to implement the MoJ's plans, allocate resources and delegate financial authority to senior staff.

The Lord Chancellor is the responsible authority for the JPS, and as such, may make scheme regulations. In addition to this, the Lord Chancellor is the scheme manager for the JPS, with functions in relation to administration exercised by the MoJ Director of Financial Management, Control, Risk and Governance. The MoJ Director of Financial Management, Control, Risk and Governance is supported in this role by the pensions operations team under the authority of the Chief Operating Officer.

Purpose of the Governance Arrangements

The governance arrangements are designed to ensure that JPS outcomes are delivered, and that associated risks are managed to a reasonable level and in line with the JPS regulations. Overall, the governance arrangements are intended to ensure agreed policies and processes comply with requirements. The governance arrangements are designed to provide reasonable and not absolute assurance of effectiveness, drawing upon an ongoing process designed to:

- identify and prioritise the risks to the achievement of JPS policies, aims and objectives
- evaluate the likelihood of those risks being realised, and the impact should they be realised
- manage them efficiently, effectively and economically

In particular, governance arrangements are designed to safeguard against fraud and to minimise omissions and material errors in the payment of benefits and the receipt of contributions from appointing bodies and JPS members.

The governance arrangements described below were in place for the JPS throughout the year ending 31 March 2025.

Governance Framework

As Accounting Officer, I am supported by the following boards and committees:

- Judicial Pension Board (JPB)
- Judicial Pension Board Administration Committee (JPBAC)
- Judicial Pension Scheme Advisory Board (JPSAB)
- Judicial Pension Board Dispute Resolution Committee (JPBDRC)
- Judicial Pension Scheme Delivery Board (JPSDP)
- Judicial Pension Scheme Finance Committee (JPSFC)

Each of these is described below.

In addition, the following MoJ board and committees support the overall governance and assurance process for the JPS and also provide an escalation route if required:

- The Departmental Board
- The Executive Committee
- MoJ Audit and Risk Assurance Committee

Internal audit and assurance are provided by the Government Internal Audit Agency (GIAA). The National Audit Office (NAO) is the external auditor of the Judicial Pensions Scheme accounts.

Judicial Pension Board (JPB)

The JPB assists the scheme manager in securing compliance with JPS legislation and other regulations relating to the governance and administration of the JPS, including the requirements of the Pensions Regulator and other regulatory bodies.

As at 31 March 2025, membership of the JPB includes the independent chair, two independent non-executive board members, two judicial representatives and three employer members. Any conflicts of interest by JPB members are raised at the start of meetings. There were no conflicts of interest to declare during the year.

The JPB exercises its responsibilities in relation to all the JPS as set out in its terms of reference. The JPB terms of reference can be viewed at: https://www.gov.uk/guidance/judicial-pension-board-terms-of-reference.

The JPB has oversight of a range of areas including:

- assurance and governance of the administration of the JPS
- performance of the third-party scheme administrator, XPS
- effectiveness and value for money of the administration of the JPS internal control procedures
- contributing to the planning of risk
- management and audit programmes
- providing recommendations to the scheme manager in respect of the exercising of any discretionary decisions under the Judicial Pension Regulations 2015 or Judicial Pension Regulations 2022

The JPB sits quarterly with a minimum of five members, including two members from the employer and scheme membership which are required to form a quorum. Attendance at the meetings is shown below. The JPB met on the following dates during the year under review:

- 14 June 2024
- 23 September 2024
- 13 December 2024
- 12 March 2025

The JPB provides an annual report to the scheme manager to provide assurance that the board has fulfilled its roles and responsibilities. Information about the JPB is published online at: https://www.gov.uk/government/groups/judicial-pension-board

The performance of JPB members is evaluated on an annual basis to ensure that all members are adequately meeting their duties. This is undertaken by the independent chair, supported by the pensions operations team.

The Northern Ireland Judicial Pension Board (NIJPB) has scope over the devolved judiciary in Northern Ireland. Under an administrative arrangement with the MoJ, devolved members of JPS who are managed by the MoJ on a UK wide basis, will fall within scope of the MoJ for the purposes of scheme management. Therefore, scheme management falls to the JPB, not the NIJPB. The NIJPB produce their own accounts.

The table below shows the attendance at those meetings taking place between 1 April 2024 and 31 March 2025.

Members	JPB
Independent Chair	
Christina Blacklaws (until 31 October 2024)	2 of 2
Jo Maguire (Interim chair from 1 November 2024, previously independent member)	4 of 4
Independent Members	
Russell Agius	4 of 4
Kim Brown	3 of 4
Judicial Members	
His Honour Judge Miller KC	4 of 4
Her Honour Judge Katharine Moore	4 of 4
Mr Justice Trower (until February 2025)	2 of 3
Employer Members	
Henry Young	3 of 4
Elaine Topping	2 of 4
Andrew Waldren (until February 2025)	2 of 3
Sarah Wallace (until 31 March 2025)	1 of 4

JPB members received Risk Management and Pensions Dashboard training during this year, to enable them to perform their role as Board members.

The Judicial Pension Board Administration Committee (JPBAC)

The JPBAC oversees and reviews arrangements relating to the administration of the JPS including operational processes. The JPBAC is supported by the MoJ in relation to JPS operational matters. JPBAC meets regularly to discuss operational issues in more detail with the pensions operations team and representatives from XPS. Any conflicts of interests by JPBAC members are raised at the start of meetings. There were no conflicts of interest to declare during the year.

During 2024-25 the JPBAC met on the following dates:

- 17 May 2024
- 15 August 2024
- 18 November 2024
- 7 March 2025

The table below shows the attendance at those meetings taking place between 1 April 2024 and 31 March 2025.

Members	JPBAC
Christina Blacklaws (until 31 October 2024)	2 of 2
Jo Maguire	4 of 4
Mr Justice Trower (until February 2025)	3 of 3
Kim Brown	4 of 4
Sarah Wallace (until 31 March 2025)	0 of 4

The JPBAC terms of reference can be viewed at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833193/jpb-admin-comm-tor.pdf

The Judicial Pension Scheme Advisory Board (JPSAB)

The JPSAB advises the Lord Chancellor on the desirability of making changes to the JPS. JPSAB meets at the request of the Lord Chancellor. Any conflicts of interests by JPSAB members are raised at the start of meetings. There were no conflicts of interest to declare during the year.

The JPSAB did not meet in 2024-25.

The members of the JPSAB are the same as for the JPB. The JPSAB terms of reference can be viewed at: https://www.gov.uk/guidance/judicial-pension-scheme-advisory-board-terms-of-reference

Judicial Pension Board Dispute Resolution Committee (JPBDRC)

The JPBDRC supports the JPB in the settlement of claims under the JPS internal dispute resolution procedure and receives referrals under the Judicial Pensions (Appeals) Regulations 1995.

The JPBDRC is comprised of an independent chair, one independent member, one employer member and one-member representative. Any JPB member may sit on the JPBDRC provided the JPBDRC is quorate. Any conflicts of interests by JPBDRC members are raised at the start of meetings. There were no conflicts of interest to declare during the year. The JPBDRC make decisions regarding the settlement of claims under the JPS Internal Dispute Resolution Committee on an ad-hoc basis where necessary. During the year under review the JPBDRC met on the following dates:

- 8 November 2024
- 5 March 2025
- 13 March 2025
- 28 March 2025

The JPBDRC terms of reference can be viewed at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833194/jpb-dispute-resol-comm-tor.pdf

Judicial Pension Scheme Delivery Board (JPSDB)

The purpose of the JPSDB is to support senior leaders by providing overall direction and management for the JPS Administration Project and the JPS Data Transformation and Delivery Projects. It is chaired by the Director of MoJ Financial Management, Control, Risk and Governance. The JPS Delivery Board is now the primary decision-making forum for the JPS along with overall responsibility for the effective running of these projects; ensuring that they are delivered to time, cost and quality and that the outputs/ benefits are achieved and maximised.

During the year under review the JPSDB met on the following dates:

- 24 April 2024
- 23 May 2024
- 27 June 2024
- 15 August 2024
- 3 October 2024
- 19 December 2024
- 27 March 2025

The Judicial Pension Scheme Finance Committee (JPSFC)

The JPSFC is responsible for the financial governance of the JPS and is chaired by the Deputy Director, Financial Reporting, Transactions and Governance. In addition to the chair, the JPSFC is supported by one advisor and nine members from the MoJ.

The role and responsibilities of JPSFC includes providing:

- assurance to the MoJ Director of Financial Management, Control, Risk and Governance in their role covering administrative functions for the scheme manager and to me as the Accounting Officer by providing oversight of the financial functions and internal controls of the JPS as well as approval of this governance statement

- a formal review and approval forum for key financial activities including the scheme estimate for scheme administration

- oversight of the financial impact and latest position of relevant litigation upon the scheme accounts and estimates

- managing financial risk by using the risk register to challenge the reported impact and likelihood of each risk and the controls to mitigate these risks

- escalation of significant issues to the MoJ departmental board and the executive committee of the board, if required

The chair also sit on the JPB, providing a direct link between the JPB and the JPSFC.

The committee meets formally as required. The JPSFC met on the following dates in the year under review:

- 11 April 2024
- 29 May 2024
- 6 November 2024
- 7 March 2025

Executive Committee

I chair the Executive Committee (ExCo). It is the executive leadership team for the MoJ and is comprised of senior officials. The committee ensures that the department is fully aligned with the strategic direction set by the Secretary of State, maintains and directs the capabilities to deliver, oversees the delivery of outcomes and prioritises and allocates financial and other resources. As part of the overall MoJ governance structure, ExCo can also support the JPS if required.

MoJ Audit and Risk Assurance Committee (ARAC)

The MoJ ARAC is chaired by Paul Smith, a non-executive member of the departmental board. As at 31 March 2025, the committee was comprised of three non-executive members of the MoJ departmental board (including the chair), the HMCTS ARAC Chair who is a non-executive member of the HMCTS Board and the HMPPS ARAC Chair who is a non-executive member of the HMPPS board.

The committee receives reports and updates on the JPS from the National Audit Office and the Government Internal Audit Agency. The committee has reviewed the JPS Annual Report and Accounts which includes the Annual Governance Statement as required by HM Treasury's Managing Public Money Annex 3.1.

Quality of information

The JPS recognises the need to ensure the Judicial Pensions Board (JPB), and other supporting committees, receive sound advice and information to enable informed decisions to be made. The JPB secretariat ensures the information provided is of a good quality and uses a template for the board papers which is structured to ensure risks and resource implications are highlighted and to ensure sufficient engagement and challenge during discussions. The JPB was content that the information and data provided was adequate, timely and comprehensive.

Referral to The Pensions Regulator (TPR)

In line with the TPR Code of Practice No 14, the MoJ submits reports to TPR where material breaches of law occur.

In 2024-25, MoJ reported a breach of the law pertaining to the information requirements of Section 14 of the Public Service Pensions Act 2013, caused by a failure to comply with the proposed approach in respect of disclosure requirements and Annual Benefit Statements (ABS) in the 2024 ABS exercise. The late issuance of ABS for some members was caused by a delay to the McCloud remedy, and delayed implementation of their elections. This breach has been rectified and TPR confirmed no further action would be taken.

Referral to The Pension Ombudsman

There are currently five active cases with the Pension Ombudsman which are awaiting determination.

Pension Administration

The pensions operations team manages and monitors the performance of XPS under the contract, working with the MoJ Commercial & Contract Management Directorate and JPB to strengthen and develop the core contract management function and support the strategic operations of the JPS administrator.

Corporate Governance Code

The scheme complies with HM Treasury's Corporate Governance Code as far as it is applicable and achieves transparent and effective governance through the work of the bodies listed above.

Whistleblowing

Whistleblowing is covered in the JPB's policy on reporting breaches of the law. There were no whistleblowing reports during the year.

Risk Assessment and Management

The MoJ Risk Management Strategy, Policy and Framework document sets out the MoJ's attitude to risk in the achievement of its objectives. This provides guidance on the process of identifying, assessing and managing risk.

Risks to the JPS's objectives are identified and analysed and recorded in a risk register, which is regularly reviewed by the JPB, JPBAC, and MoJ managers. The risk register covers issues such as operational risk, administrative issues, third party contracts, data quality, data protection, technological change and the effects of implementing litigation outcomes.

In accordance with the risk and control framework, the JPS is included within the MoJ Annual Internal Audit Plan.

The Government Internal Audit Agency (GIAA) includes the JPS within its agreed annual audit programme. During 2024-25 the GIAA finalised one audit which received a moderate rating (fieldwork was largely completed during the prior financial year).

There were no ministerial directions given and no personal data-related incidents reported to the Information Commissioner's Office during 2024-25.

Significant Risks and Issues

There are no significant risks and issues affecting the scheme at the end of 2024-25.

Review of Effectiveness

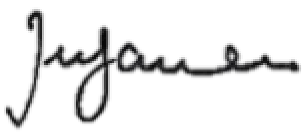
I was appointed Accounting Officer for the Judicial Pensions Scheme on 1 July 2025. My predecessor had responsibility for ensuring there was an effective process in place for monitoring and reporting governance issues during the year. I have now assumed this responsibility and I am supported by the MoJ Director of Financial Management, Control, Risk and Governance who has responsibility for supporting the development and maintenance of the governance framework and has provided me with assurance to prepare this governance statement, on behalf of the scheme manager.

The scheme manager is supported by the Judicial Pensions Board. The Board assists in ensuring that the JPS complies with regulations and securing compliance with the requirements of the Pensions Regulator. It has oversight on behalf of the scheme manager on internal control procedures, contributing to the planning of risk management and audit programmes, as well as making and reviewing progress on recommendations as appropriate. Independent assurance also comes from both external and internal auditors. Governance arrangements of schemes are regularly reviewed to ensure their on-going effectiveness.

Conclusion

Based on the information and assurance I have been given following my appointment to this role, I am satisfied that the governance, risk management and assurance arrangements in place are fit for purpose in supporting the JPS.

This Statement applies to the JPS only. The Governance Statement for the MoJ is available as part of the MoJ Annual Report and Accounts for 2024-25, which is published on the MoJ website.



Dr Jo Farrar CB OBE
Accounting Officer
Date: 3 July 2025

PARLIAMENTARY ACCOUNTABILITY

Statement of Outturn against Parliamentary Supply (Audited)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires the JPS to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their supply estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the supply estimate, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn.

The SOPS contains a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (SOPS 1), a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (SOPS 2); a reconciliation of outturn to net cash requirement (SOPS 3); and an analysis of income payable to the Consolidated Fund (SOPS 4).

The JPS has no capital outturn so there is no requirement for SOPS note 1.2.

The financial review, in the Report of the Managers, provides a summarised discussion of outturn against estimate.

Summary of Resource and Capital Outturn 2024-25

Type of spend	SOPS note	Outturn			Estimate			Outturn vs Estimate saving/(excess)		Prior Year Outturn Total 2023-24
		Voted **£'000**	Non-voted £'000	Total £'000	**Voted** **£'000**	Non-voted £'000	Total £'000	**Voted** **£'000**	Total £'000	Total £'000
Departmental Expenditure Limit										
- Resource		**-**	-	-	**-**	-	-	**-**	-	-
- Capital		**-**	-	-	**-**	-	-	**-**	-	-
Annually Managed Expenditure										
- Resource	1.1	**64,540**	89,000	153,540	**147,196**	95,000	242,196	**82,656**	88,656	161,522
- Capital		**-**	-	-	**-**	-	-	**-**	-	-
Total budget expenditure		**64,540**	89,000	153,540	**147,196**	95,000	242,196	**82,656**	88,656	161,522
Total non-budget expenditure		**-**	-	-	**-**	-	-	**-**	-	-
Total expenditure		**64,540**	89,000	153,540	**147,196**	95,000	242,196	**82,656**	88,656	161,522

Figures in bold cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.

Net cash requirement 2024-25

	Note	2024-25 Outturn £'000	2024-25 Estimate £'000	2024-25 Outturn vs Estimate saving/ (excess) £'000	2023-24 Outturn £'000
Net cash requirement	SOPS 3	(149,636)	(118,804)	30,832	(112,650)

Administration costs 2024-25

	Note	2024-25 Outturn £'000	2024-25 Estimate £'000	2024-25 Outturn vs Estimate saving/ (excess) £'000	2023-24 Outturn £'000
Administration costs		-	-	-	-

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Notes to the Statement of Outturn against Parliamentary Supply, 2024-25 (Audited)

SOPS 1. Outturn detail, by Estimate Line

SOPS 1.1 Analysis of resource outturn by Estimate line

Type of spend (Resource)	2024-25 Resource outturn Administration Gross	Administration Income	Administration Net	Programme Gross	Programme Income	Programme Net	Total	Estimate Total	Estimate Virements	Estimate Total inc. virements	Outturn vs Estimate saving/ (excess)	2023-24 Outturn Prior year outturn total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Annually Managed Expenditure (AME):												
Voted expenditure	-	-	-	384,122	(319,582)	64,540	64,540	147,196	-	147,196	82,656	65,522
Non-voted expenditure	-	-	-	89,000	-	89,000	89,000	95,000	-	95,000	6,000	96,000
Total spending in AME	**-**	**-**	**-**	**473,122**	**(319,582)**	**153,540**	**153,540**	**242,196**	**-**	**242,196**	**88,656**	**161,522**

The non-voted expenditure is for the current service costs of higher judiciary judges, paid directly from the Consolidated Fund and not from Parliamentary Supply.

Overall, in 2024-25 total expenditure for the JPS was £89m less than the total budgeted amount within the Supplementary Estimate. The JPS budget is all Annually Managed Expenditure (AME), which is inherently difficult to forecast as it includes on-going and potential litigation cases and actuarial costs which are unpredictable and not known until year-end. Therefore, an allowance is made in the supply estimate to cover unexpected costs. The main reasons for the difference are:

- an amount of £50m was budgeted to cover additional possible litigation cases. As these have not materialised in-year, there is no resulting cost to the JPS
- actuarial costs calculated by GAD at year-end relating to current service costs and interest were £11m lower than forecast
- pensions and McCloud remedy payments utilised were £16m lower than forecast
- McCloud compensation amounts paid and provided for were £6m less than originally budgeted, due to the uncertainty of such compensation claims

SOPS 2. Reconciliation of outturn to net operating expenditure

The total resource outturn in the SOPS is the same as net operating expenditure in the Statement of Comprehensive Net Expenditure (SoCNE) so no reconciliation to net operating expenditure is required.

SOPS 3. Reconciliation of net resource outturn to net cash requirement

		2024-25		
	Note	Outturn £'000	Estimate £'000	Net Total Outturn compared with estimate saving/ (excess) £'000
Resource outturn	SOCNE	153,540	242,196	88,656
Adjustments to remove non-cash items:				
Current service, past service and interest costs	5, 8	(388,000)	(443,000)	(55,000)
Contributions receivable directly by the Consolidated Fund		(222)	-	222
Adjustments to reflect movements in working balances:				
(Increase)/decrease in receivables		8,032	-	(8,032)
(Increase)/decrease in payables		(829)	-	829
Use of pension provision	15f	153,743	177,000	23,257
Decrease in other provisions	14	6,072		(6,072)
Enhancements	6	(301)	-	301
Transfers in	7	(56)	-	56
Transfers/refunds out	15g	7,385	-	(7,385)
Removal of non-voted budget items:				
Consolidated Fund Standing Services	5	(89,000)	(95,000)	(6,000)
Other adjustments		-	-	-
Net cash requirement		**(149,636)**	**(118,804)**	**30,832**

As noted in the introduction in the SOPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource outturn to the net cash requirement. There is a negative cash requirement because contributions collected (in relation to all judiciary) exceed the amount of pension benefits payable from the scheme in the year (which predominately relate to the lower judiciary).

SOPS 4. Amounts of income to the Consolidated Fund

SOPS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the JPS, the following income is payable to the Consolidated Fund (cash receipts shown in italics).

	2024-25 Outturn		2023-24 Outturn	
	Accruals £'000	***Cash basis £'000***	**Accruals £'000**	***Cash basis £'000***
Excess cash receipts surrenderable to the Consolidated Fund	149,636	*149,636*	112,650	*112,650*
Total income payable to the Consolidated Fund	**149,636**	***149,636***	**112,650**	***112,650***

SOPS 4.2. Consolidated Fund income

As the department does not collect income as an agent of the Consolidated Fund SOPS Note 4.2 is not required.

PARLIAMENTARY ACCOUNTABILITY DISCLOSURES

Regularity of expenditure (Audited)

The following two sections are included to satisfy parliamentary reporting and accountability requirements and are subject to audit.

Losses and special payments (Audited)

There are no losses or special payments, individually or in aggregate in excess of £300,000 that would require disclosure during the year to 31 March 2025 (2023–24: nil).

Remote contingent liabilities (Audited)

There are no material remote contingent liabilities.

Dr Jo Farrar CB OBE
Accounting Officer
Date: 3 July 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the Judicial Pensions Scheme ("the Scheme") for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The Scheme's financial statements comprise:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Scheme's financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Scheme's affairs as at 31 March 2025 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2025 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law, and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Scheme in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Scheme's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Scheme is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate hereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Parliamentary Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Scheme and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Scheme or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Scheme from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Scheme will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Scheme's accounting policies and key performance indicators.
- inquired of management, the Scheme's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Scheme's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;

- detecting and responding to the risks of fraud and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Scheme's controls relating to compliance with the Government Resources and Accounts Act 2000, Managing Public Money, the Judicial Pensions Act 1981, the Judicial Pensions and Retirement Act 1993, the Judicial Pensions Regulations 2015, the Judicial Pensions (Fee-Paid Judges) Regulations 2017, the Judicial Pensions Regulations 2022 and the Public Service Pensions Act 2013, and the regulations set down by The Pensions Regulator;

- inquired of management, the Scheme's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Scheme for fraud and identified the greatest potential for fraud in the following areas: Posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Scheme's framework of authority and other legal and regulatory frameworks in which the Scheme operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Scheme. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2023, Public Service Pensions Action 2013, regulations set by The Pension Regulator, the Judicial Pensions Act 1981, the Judicial Pensions and Retirement Act 1993, the Judicial Pensions Regulations 2015, the Judicial Pensions (Fee-Paid Judges) Regulations 2017 and the Judicial Pensions Regulations 2022.

I considered the control environment in place at the Scheme and the administrator in respect of membership data, the pension liability, contributions due and benefits payable.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;

- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- I performed substantive testing of contributions received and benefits paid in the year to ensure compliance with laws and regulations and regularity; and
- I reviewed any significant correspondence with The Pensions Regulator.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 4 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

		2024-25		2023-24	
	Note	£'000	£'000	£'000	£'000
Income					
Contributions receivable	3	(318,330)		(248,143)	
Other pension income	4	(1,196)		(1,121)	
Transfers in	7	(56)		(581)	
			(319,582)		(249,845)
Expenditure					
Current service cost	5	198,000		214,000	
Past service cost/(gain)	5	50,000		(10,000)	
Enhancements	6	301		577	
Transfers in	7	56		581	
Pension financing cost	8	229,000		190,000	
McCloud compensation payments	9	614		479	
Payment to HMRC for JPS 2015 Scheme	9	27		2,543	
Administration expenses paid to the MoJ	9	1,196		1,121	
Movement in provisions	14	(6,072)		12,066	
			473,122		411,367
Net Expenditure			153,540		161,522
Other Comprehensive Net Losses / (Gains)					
Recognised losses / (gains) for the financial year:					
Other actuarial re-measurement - loss / (gain)	15h		37,000		(241,000)
Total Comprehensive Net Losses / (Gains)			**190,540**		**(79,478)**

The notes on pages 49 to 66 form part of these accounts

Statement of Financial Position
as at 31 March 2025

		31 March 2025		31 March 2024	
	Note	£'000	£'000	£'000	£'000
Current assets					
Receivables	11	28,032		20,001	
Cash and cash equivalents	12	34,177		52,725	
Total current assets			62,209		72,726
Current liabilities					
Payables (within 12 months)	13	(50,101)		(67,821)	
Provisions (within 12 months)	14	(5,994)		(12,066)	
Total current liabilities			(56,095)		(79,887)
Net current assets / (liabilities), excluding pension liability			6,114		(7,161)
Non-current liabilities					
Total pension liability	15e		(4,771,176)		(4,514,152)
Net liabilities, including pension liability			**(4,765,062)**		**(4,521,313)**
Taxpayers' equity:					
General fund			(4,765,062)		(4,521,313)
			(4,765,062)		**(4,521,313)**

Dr Jo Farrar CB OBE
Accounting Officer
Date: 3 July 2025

The notes on pages 49 to 66 form part of these accounts

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Note	2024-25	2023-24
		£'000	£'000
Balance at 1 April		(4,521,313)	(4,582,045)
Consolidated Fund Standing Services:			
Pension payable from the Consolidated Fund - drawn down		96,126	95,570
Pension payable from the Consolidated Fund - deemed		79	(1,702)
Contributions payable directly from the Consolidated Fund		222	36
CFERs payable to the Consolidated Fund		(149,636)	(112,650)
Net expenditure for the year	SOCNE	(153,540)	(161,522)
Other actuarial re-measurement - (loss)/gain	15h	(37,000)	241,000
Balance at 31 March		**(4,765,062)**	**(4,521,313)**

The notes on pages 49 to 66 form part of these accounts

Statement of Cash Flows
for the year ended 31 March 2025

	Note	2024-25	2023-24
		£'000	£'000
Cash flows from operating activities:			
Net expenditure for the year	SOCNE	(153,540)	(161,522)
Adjustments for non-cash transactions:			
Contributions payable/(receivable) from the Consolidated Fund		222	36
(Increase)/decrease in receivables		(8,032)	1,261
Decrease/(increase) in payables		829	(3,880)
Increase in pension provision - voted	5 & 8	388,000	298,000
Increase in pension provision - non-voted	5	89,000	96,000
Use of provisions – pensions payable by Vote	15f	(153,743)	(130,046)
Use of provisions – pensions payable by non-Vote		(96,126)	(95,570)
(Decrease)/increase in other provisions	14	(6,072)	12,066
Enhancements	6	301	577
Transfers in	7	56	581
Transfers/refunds out	15g	(7,385)	(423)
Net cash inflow from operating activities		**53,510**	**17,080**
Cash flow from financing activities:			
Consolidated Fund Standing Services		96,126	95,570
Net cash inflow from financing activities		**96,126**	**95,570**
Net increase in cash and cash equivalents in the year before adjustment for receipts and payments to the Consolidated Fund		**149,636**	**112,650**
Payment of amounts due to the Consolidated Fund – current year		(117,046)	(61,266)
Payment of amounts due to the Consolidated Fund – prior year		(51,385)	(37,042)
Increase in cash held on behalf of the Consolidated Fund		247	64
Net (decrease)/increase in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		**(18,548)**	**14,406**
Cash and cash equivalents at the beginning of the year	12	52,725	38,319
Cash and cash equivalents at the end of the year	12	**34,177**	**52,725**

The notes on pages 49 to 66 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation of the JPS financial statements

The financial statements of the Judicial Pensions Scheme (JPS) have been prepared in accordance with the relevant provisions of the 2024-25 Government Financial Reporting Manual (FReM), issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. IAS 19 Employee Benefits and IAS 26 Accounting and Reporting by Retirement Benefit Plans are of particular relevance to these statements.

In addition to the primary statements prepared under IFRS, the FReM also requires the scheme to prepare an additional statement – a Statement of Outturn against Parliamentary Supply (SOPS). This statement, and its supporting notes, show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.1 Judicial Pensions Scheme (JPS)

The Judicial Pensions Scheme consisted of three final salary schemes and one career average scheme. These schemes are now closed to new members following the introduction of a new reformed career average pension scheme on 1 April 2022 (JPS 2022). JPS 2022 and the historic pension schemes are unfunded defined benefit pay-as-you-go occupational pension schemes. These schemes are administered by an external service provider Xafinity Punter Southall Administration Limited (XPS), formerly PS Administration Limited (PSAL), and prior to that Punter Southall Limited, since 6 January 2015. The JPS 2022 is open to members of the judiciary who satisfy the membership criteria.

Contributions to the JPS by employers are set at rates determined by the Government Actuary's Department (GAD) and approved by the Judicial Pensions Board. Contributions to the JPS by members are paid at rates set out in secondary legislation. The contributions partially fund payments made by the JPS, the balance of funding being provided by Parliamentary Vote, through the annual supply estimates process, and directly from the Consolidated Fund. The administrative expenses associated with the operation of the JPS are borne by the Ministry of Justice (MoJ) and are reported in that entity's financial statements.

The financial statements of the scheme show the financial position of the JPS at the year end and the income and expenditure during the year. The Statement of Financial Position shows the unfunded net liabilities of the scheme; the Statement of Comprehensive Net Expenditure shows, amongst other things, factors contributing to the change in the net liability analysed between the pension cost, enhancements and transfers in, and the interest on the scheme liability. Further information about the actuarial position of the scheme is dealt with in the Report of the Actuary, and the scheme financial statements should be read in conjunction with that report.

The financial statements have been laid in accordance with the Government Resources and Accounts Act 2000, chapter 20, section 6 (4).

1.2 Going Concern

The Statement of Financial Position as at 31 March 2025 shows a pension liability of £4,771m (2023-24: £4,514m).

Under the Government Resources and Accounts Act 2000, no money may be drawn from the Consolidated Fund other than as required for the service of the specified year or retained in excess of that need. All monies, including those derived from pension contributions in excess of pensions benefits paid, are surrenderable to the Fund.

In common with other public service pension schemes, the future financing of the JPS's liabilities is to be met by future grants of supply and the application of future pension contributions, both to be approved annually by Parliament. Such approval for amounts required for 2025-26 has already been given. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

2. Statement of accounting policies

The accounting policies contained in the FReM follow IFRS to the extent that they are meaningful and appropriate in the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policies judged to be most appropriate to the particular circumstances of the JPS, for the purpose of giving a true and fair view, have been selected. The accounting policies adopted have been applied consistently in dealing with items considered material in relation to the JPS financial statements.

2.1 Pension contributions receivable

Appointing bodies' normal employer and employee pension contributions are accounted for on an accruals basis, ie in the period to which the income relates.

Judges who were members of JUPRA, until it closed on 31 March 2022, paid Dependants' Pension Contributions (DPC) which were accounted for on an accruals basis. Members of the 1981 Scheme, which also closed on 31 March 2022, could elect to pay DPC (then for spouses only) either throughout their service or through a reduction in their lump sum upon retirement. Where members elected to pay these contributions throughout their service, they were accounted for on an accruals basis.

If a member has no dependants at retirement, then they will receive a refund of DPC from the date on which the member last had a spouse, registered civil partner or eligible children. These refunds are paid with the lump sum on retirement. Personal Pension Contributions (PPC) from members were introduced from 1 April 2012. They are accounted for on an accruals basis.

The judges who were members of JPS 2015 paid employee contributions from 1 April 2015, until the scheme closed on 31 March 2022. In this scheme there was no distinction between contributions paid for members (PPC) and dependants (DPC) as existed in JUPRA and no refunds are payable on retirement.

Judges who were members of FPJPS paid employee contributions from 1 April 2017 until the scheme closed on 31 March 2022. Employee contributions for pensionable service before commencement of the scheme were paid by way of lump sum, deductions from fees or deduction from the retirement or death in service lump sum. Where members opt for a reduction in their retirement or lump sum payment, only the actual amount paid is deducted from the pension liability. This scheme approximated JUPRA as closely as possible and included the DPC contributions and refunds.

Since 1 April 2022, all judges are eligible to be members of JPS 2022. The JPS 2022 mirrors JPS 2015 in that there is no distinction between contributions paid for members (PPC) and dependants (DPC) as existed in JUPRA and no refunds are payable on retirement.

Members' contributions paid in respect of the purchase of added years, or any other benefits to be gained from the JPS, are also recognised on an accruals basis. Any associated increase in the scheme liability is recognised as expenditure.

2.2 Other pension income

The MoJ is the manager of the JPS. Within the 62.55% Accruing Superannuation Liability Charges (ASLCs) received from appointing bodies is a 0.25% administration fee recognised as other pension income in these accounts (2023-24: 51.35% ASLC, 0.25% administration fee).

2.3 Transfers in and out

Transfers into the JPS in respect of individual members are accounted for as income and by representing the associated increase in the Scheme liability. Transfers out reduce the Scheme liability. Both are accounted for on a cash basis as the associated obligations passes on payment or receipt of the transfer value.

2.4 Current service cost

The current service cost is the increase in the present value of the scheme liabilities arising from current members' service in the current period and is recognised in the Statement of Comprehensive Net Expenditure. The cost is based on the assumptions used by the actuary and is assessed as 41.4% of pensionable pay for the current year (2023-24: 47.4%).

2.5 Past service cost/(gain)

The past service cost/(gain) is the increase/(decrease) in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to/(reduction of), retirement benefits, and are recognised in the Statement of Comprehensive Net Expenditure.

2.6 Interest on scheme liabilities

The interest cost is the increase during the period in the present value of the scheme liabilities because accrued members' benefits are one year closer to settlement, and this is recognised in the Statement of Comprehensive Net Expenditure. The interest cost is based on the gross discount rate at the start of the year of 5.10% (2023-24: 4.15%) and is consistent with the assumptions used for current service costs.

2.7 Scheme liability

Provision is made for liabilities to pay pensions and other benefits in the future. The scheme liability is measured on an actuarial basis using the projected unit method and has been discounted at a real discount rate, as prescribed by HM Treasury, which for 2024-25 is 2.40% per annum (2023-24: 2.45%). The movement is recognised in the Statement of Comprehensive Net Expenditure for the year as advised by HM Treasury.

The last full actuarial valuation was carried out as at 31 March 2020. The value of liabilities as at 31 March 2025 has been assessed by calculating the liability as at 31 March 2020 based on the data provided as at 31 March 2020 and rolling forward that liability to 31 March 2025.

2.8 Provisions

Provisions represent liabilities of uncertain timing or amount and are recognised when the JPS has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made for the amount of the obligation.

The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022 and the Public Service Pensions and Judicial Offices Act 2022 set out the allowable compensation payable by pension schemes as part of the McCloud remedy. The McCloud remedy options exercise for the JPS commenced in October 2023. Where members in scope of the remedy have not submitted a compensation claim by 31 March 2025, a provision for the estimated compensation has been included in Note 14 Provisions. This provision is disclosed separately from the overall pension liability in line with HM Treasury directions to ensure compensation costs are not included in future scheme valuations and cost control mechanism calculations. Further information on the McCloud remedy is provided in the Report of the Managers on pages 10 to 11.

2.9 Pension benefits payable

Pension benefits and lump sums payable on retirement / early retirement / death in service are accounted for as a decrease in the scheme liability on an accruals basis. This is also the case when a member of the JPS is entitled only to a refund of previous contributions paid. Accruals for the lower judiciary are accounted through Note 13 Payables. Accruals for the higher judiciary are accounted for through reserves as higher judiciary benefits payable are funded through the Consolidated Fund.

Where there is a choice of retirement date, pension payments and lump sums due on retirement / early retirement are recognised as the later of the period in which the member retires or the period in which the MoJ is notified by the Judicial Office, via the pensions administrator (XPS), of the member's decision to retire. If there is no member choice, i.e., where a member reaches the maximum retirement age, pension payments and lump sums are recognised in the period in which the date of retirement falls. Pension payments and lump sums due following a death in service are recognised in the period in which the death certificate has been received.

2.10 Other re-measurement – gains/losses

Actuarial gains and losses arising from any new valuation and from updating the latest actuarial valuation to reflect conditions at the Statement of Financial Position date are recognised in the Statement of Comprehensive Net Expenditure for the year. These gains and losses are based on the figures provided by the actuary and the related assumptions, which have been deemed appropriate by GAD and JPS Managers.

2.11 Administration fees

Scheme administration for the JPS is carried out by Xafinity Punter Southall (XPS). The costs of XPS are paid by MoJ. This is overseen by staff from the pensions operations team, part of the MoJ financial management, control, risk and governance directorate. The costs of the pensions operations team are paid by the MoJ.

To contribute towards these costs, the JPS is authorised by HM Treasury to pay the MoJ 0.25% of the 62.55% Accrued Superannuation Liability Charges (ASLC) received. In 2024-25 this amounts to £1,196k (2023-24: £1,121k). The payments have been reported in the MoJ's accounts as income.

2.12 Other expenses

Compensation payments paid during the year as a result of the McCloud remedy options exercise are accounted for as an expense in Note 9 Other Expenditure and in the Statement of Comprehensive Net Expenditure. Further information is provided in the Report of the Managers on pages 10 to 11.

Other pension related expenses to the judiciary (such as payments for early retirement and ex-gratia payments) are borne by the relevant appointing body and reported in their Departmental Resource Accounts.

2.13 New and amended accounting standards adopted

No new or amended standards were adopted in the financial year beginning 1 April 2024.

2.14 Accounting standards issued but not effective

IFRS 17 Insurance Contracts will be applied by HM Treasury in the FReM from 1 April 2025. This standard is not expected to have any impact on the accounts as the JPS holds no contracts falling within scope of the new standard.

IFRS18 Presentation and Disclosure in Financial Statements will change the way the JPS presents the Statement of Comprehensive Net Expenditure. The full impact of IFRS 18 on the JPS will not be determined until it has been adopted for use in the public sector by the FReM. It is expected to be implemented in the public sector from 1 April 2028.

2.15 Significant judgments and estimates

The valuation of provisions and liabilities relies on the application of professional judgment, historical experience and other factors expected to influence future events. The assessment for the pension liability at 31 March 2025 has been carried out by the Government Actuary Department (GAD), the actuary for the JPS, by calculating the liability as at 31 March 2020 based on the data provided as at 31 March 2020 and rolling forward that liability to 31 March 2025. This approach is reasonable but introduces some degree of uncertainty. It should therefore be recognised that the results may differ from those that would emerge following an actuarial valuation based on full membership data as at 31 March 2025. However, this approach is anticipated by the FReM, and GAD are satisfied that the data provided, and the approach taken to rolling forward the 31 March 2020 liability calculations are suitably rigorous to ensure that the assessed liability as at 31 March 2025 is sufficiently accurate. It is anticipated that the pension liability as at 31 March 2026 will be calculated using a more recent data set.

The liability recognised in these accounts in relation to the O'Brien and Miller cases is derived from financial models based on the best available data, including actual fee-paid service records, previous pension claims, actual payments made during 2024-25 and historic records of office holders, which have been evaluated and reviewed.

This liability represents an approximation of the additional cost of pension entitlement for service incurred prior to 7 April 2000 and for all eligible fee-paid service in relation to potential new claimants. The eventual value of these liabilities may differ significantly from the values recognised in these accounts. Further information including the carrying amounts is set out in Note 15(e). This is consistent with the main pension liability which is also a significant estimate. Detail of the key assumptions underpinning the pension liability is disclosed in Note 15(b). A provision for the estimated McCloud compensation payments anticipated during 2025-26 has been included in Note 14 Provisions. This has been based on the best estimate from data available and compensation payments paid to date.

3. Pension contributions receivable

	2024-25	2023-24
	£'000	£'000
Employers; appointing bodies:		
Accruing Superannuation Liability Charges (ASLCs)	298,084	229,140
Employees; judicial officeholders:		
Normal contributions - Personal Pension Contributions (PPCs)	19,945	18,421
Purchase of added years - internal JPS AVC's only	301	582
	318,330	**248,143**

Employees' pension contributions include both personal and dependants' contributions. £321 million contributions are expected to be payable to the Scheme in 2025-26.

4. Other pension income

	2024-25	2023-24
	£'000	£'000
Administration fees receivable from appointing bodies	1,196	1,121
	1,196	**1,121**

5. Current and past service costs

	2024-25	2023-24
	£'000	£'000
Current service cost:		
Judiciary paid from the Voted JPS estimate and pension increases for all judiciary	109,000	118,000
Judiciary paid from the Consolidated Fund (notional expenditure)	89,000	96,000
	198,000	214,000
Past service cost / (gain):		
Paid from the Voted JPS Estimate	50,000	(10,000)
	248,000	**204,000**

All the service costs are apportioned between vote and consolidated fund (non-vote) expenditure based on a percentage split provided by the Government Actuary's Department, representing the ratio of members across all schemes in the lower and higher judiciary. The 2024-25 pension cost has been allocated at 55% vote and 45% consolidated fund (2023-24: 55%:45%).

The past service cost of £50m for 2024-25, relates to £47.3m increase in estimated costs for potential litigation cases and £2.7m increase in McCloud related costs for Northern Ireland JPS 2015 members.

6. Enhancements

	2024-25 £'000	2023-24 £'000
Employees:		
Purchase of added years	301	577
	301	**577**

7. Transfers in – additional liability

	2024-25 £'000	2023-24 £'000
Individual transfers from other schemes	56	581
	56	**581**

8. Pension financing cost

	2024-25 £'000	2023-24 £'000
Net interest on defined benefit liability	229,000	190,000
	229,000	**190,000**

9. Other expenditure

	2024-25 £'000	2023-24 £'000
Compensation payments relating to the McCloud remedy*	614	479
Payment to HMRC for JPS 2015 Scheme	27	2,543
Administration expenses paid to the MoJ	1,196	1,121
	1,837	**4,143**

*HM Treasury directions allow pension schemes to make specific compensation payments as part of the McCloud remedy from 2023-24 onwards. Further information is provided in the Report of the Managers on pages 10 to 11.

10. Additional Voluntary Contributions (AVCs)

10.1 AVCs to External Approved Providers

The JPS provides for members to make additional voluntary contributions (AVCs) to increase their pension entitlements. Members may arrange to have agreed sums deducted from their salaries for onward payment to the approved provider, Prudential Assurance Company Ltd. The managers of the JPS have responsibility only for the onward payment, by appointing bodies, of members' contributions to the provider. These AVCs are not reflected in the primary financial statements. Members of the JPS participating in this arrangement receive an annual statement from the provider confirming the amounts held in their account and the movements in the year.

The aggregate amounts of AVC investments are as follows:

	Prudential	
	2024-25	**2023-24**
	£'000	£'000
Movements in the year		
Balance at 1 April	2,201	2,114
New investments	580	321
Leavers, transfers & withdrawals	-	-
Claims paid	(485)	(367)
Changes in market value of investments	48	133
Balance at 31 March	**2,344**	**2,201**

10.2 AVCs – Fee-Paid JPS

The Fee-Paid Judicial Added Years Scheme (FPJAYS) and Fee-Paid Judicial Added Surviving Adult's Pension Scheme (JASAPS) is open to members of the FPJPS who were in service before 6 April 2006. FPJPS members who wished to join these schemes were required to give notice in writing to the scheme administrators XPS within one year of the commencement of the FPJPS on 1 April 2017. Due to delayed implementation, the FPJAYS option remained open for an extended period; the option was closed on 31 March 2020. FPJPS members may only make contributions to JASAPS during periods of service in qualifying judicial office during which they have a spouse or civil partner. The FPJPS regulations have been amended to include service prior to 7 April 2000 and a further time limited window will open to allow those eligible to purchase FPJAYS and JASAPS.

11. Receivables – contributions due in respect of pensions

Analysis by type

Amounts falling due within one year	**2024-25**	**2023-24**
	£'000	£'000
Pension contributions due from appointing bodies:		
Accruing Superannuation Liability Charges (ASLCs) including administration fees	25,007	18,162
Pension contributions due from judicial officeholders:		
Normal contributions - Personal Pension Contributions (PPCs)	1,836	1,492
Purchase of added years - internal JPS AVC's only	9	6
Overpaid pensions	523	178
Overpaid lump sum	335	40
Ex-gratia payments due from MoJ	22	23
O'Brien/Miller JSA/Interest payments due from MoJ	190	86
Other receivables	110	14
	28,032	**20,001**

12. Cash and cash equivalents

	2024-25	**2023-24**
	£'000	£'000
Balances as at 1 April	52,725	38,319
Net change in cash balances	(18,548)	14,406
Balance at 31 March	**34,177**	**52,725**
The following balances at 31 March were held at:		
Government Banking Service	34,177	52,725
	34,177	**52,725**

13. Payables – in respect of pensions

Analysis by type

Amounts falling due within one year

	2024-25	2023-24
	£'000	£'000
Tax due to HM Revenue and Customs	4,963	4,220
Death in service pensions and lump sums due	1,587	1,969
Pension arrears due	1,082	1,100
Lump sums due	1,279	1,365
O'Brien & Miller pension payments due	4,684	4,714
Administration charges due to MoJ	116	401
Other creditors	2,213	1,326
Total payables excluding CF creditor	15,924	15,095
Extra receipts due to the Consolidated Fund	32,591	51,385
Non-JPS cash held on behalf of the Consolidated Fund	1,586	1,341
	50,101	**67,821**

14. Provisions

	2024-25	2023-24
	£'000	£'000
McCloud remedy compensation provision:		
Balance at 1 April	12,066	-
Provided in year	-	12,066
Provision utilised in year	(614)	-
Provision not required written back	(5,458)	-
Balance at 31 March	**5,994**	**12,066**

HM Treasury directions allow pension schemes to make specific compensation payments as part of the McCloud remedy from 2023-24 onwards. Further information is provided in the Report of the Managers on pages 10 to 11.

15. Pension liability

15 (a) Judges' pension entitlements

In November 2018, in relation to the O'Brien No.2 litigation case, the Court of Justice of the European Union (CJEU) ruled that, in calculating the pension entitlement of eligible fee-paid judges, any continuous service prior to 7 April 2000 (the date that the Part-time Work Directive should have been transposed into domestic law) must be taken into account.

In December 2019, in relation to the Miller litigation case, the Supreme Court ruled that the time limit for making a pension claim under the Part-time Workers Regulations runs from the point of retirement from all judicial offices, rather than the end of fee-paid service. This increased the number of former fee-paid judicial office holders entitled to a pension.

Following determination of the methodology to be applied in calculating pension entitlements for pre-2000 service, the Government Actuary's Department (GAD) has been able to determine an estimated value of the accrued benefits on an actuarial basis, following improved data available from XPS, on judges in scope for the remedy period and their additional sitting days. In addition, the MoJ has undertaken significant work to identify those former fee-paid judges whose pension claims will now be 'in time' as a result of the Miller judgment. Where there are some limitations in data, estimates are based upon extrapolation from the post-2000 service of those judges thought to have eligible pre-2000 service. It was also recognised in 2020-21 that post-2000 Miller-related payments would be paid by the JPS and not by the MoJ.

As a result of improvements in data availability each year, following additional historical data on eligible sitting days provided by fee-paid judges, this has amended the pension liability year on year. The pension liability relating to O'Brien/Miller increased to £272m in 2024-25 (2023-24: £270m), mainly due to the change in discount rate. The related movements in the pension liability are shown at Note 15(e).

Up to and including 31 March 2023, the JPS could not make O'Brien and pre-2000 Miller pension payments under the FPJPS 2017 scheme, as existing legislation did not include provision for the remedy of the O'Brien and Miller litigation. On behalf of the MoJ, the JPS has made payments in lieu of pension, based on the claims assessed by the MoJ judicial claims teams and the methodology template produced by GAD for the MoJ. The payments in lieu made by the JPS have been reimbursed by the MoJ.

The necessary changes in legislation have now been made to the FPJPS regulations effective from 1 April 2023, which covers the majority of judicial offices. A few judicial offices were still being consulted on at the time the regulations were updated, and these were incorporated into the regulations in 2024-25. Under regulations the JPS cannot pay any O'Brien and Miller Judicial Service Awards and interest payments. These will continue to be reimbursed by the MoJ. The reimbursable amount outstanding at 31 March 2025 is recorded in Note 11 Receivables.

15 (b) Assumptions underpinning the pension liability

The JPS is an unfunded defined benefit scheme. GAD undertook a full actuarial valuation as at 31 March 2020. The appropriate membership data has been supplied to GAD and this data has been used to form the basis of this assessment. The Report of the Actuary, on pages 17 to 23 sets out the scope, methodology and results of the work the actuary has carried out.

The major assumptions used by the actuary were:

	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Rate of increase in salaries	3.40%	3.55%	3.65%	4.15%	3.72%
Rate of increase in pensions in payment and deferred pensions	2.65%	2.55%	2.40%	2.90%	2.22%
Inflation assumption	2.65%	2.55%	2.40%	2.90%	2.22%
Nominal discount rate	5.15%	5.10%	4.15%	1.55%	1.25%
Discount rate net of price inflation	2.40%	2.45%	1.70%	(1.30%)	(0.95%)
Mortality rates at aged 60 (life expectancy in years)					
Current retirements:					
Females	30.7	30.4	30.4	30.7	30.6
Males	28.6	28.7	28.7	28.9	28.8
Retirements in 15 years' time:					
Females	31.7	31.6	31.5	31.9	31.8
Males	29.7	29.9	29.9	30.2	30.1

These key assumptions are inherently uncertain, since it is impossible to predict with any accuracy future changes in the rate of salary increases, inflation, longevity, or the return on corporate bonds. In addition to using HM Treasury prescribed rates, the actuary uses their professional expertise in arriving at a view of the most appropriate rates to use in the annual valuation of the scheme liabilities. However, the scheme manager acknowledges that the liability reported in these accounts is not certain, since a change in any one of these assumptions will either increase or reduce the liability. For example, on its own, even a small rise in the assumed rate of inflation will result in a significant increase in the pension liability.

The assumption that has the biggest impact on the amount of the reported liability is the discount rate net of price inflation. As set out in the FReM, and as required by IAS 19, the discount rate net of price inflation is based on yields on high quality corporate bonds and is specified by HM Treasury. The rates are set out in the above table. Any decrease in the discount rate net of inflation leads to an increase in the reported liability and vice-versa.

In accordance with IAS 19, the scheme manager is required to undertake a sensitivity analysis for each significant actuarial assumption (see Note 15d) as at the end of the reporting period, showing how the defined benefit liability would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date.

For the O'Brien and Miller element of the liability, the key assumptions used are that the average annual number of sitting days for a member before 7 April 2000 is equal to his or her average annual sitting days on or after 7 April 2000 and that the additional pension liability for each individual Miller claimant is the same as the average liability of an O'Brien claimant. These assumptions have been replaced by actual data as individual judges' claims have been processed. This means that the eventual amount of liability may be significantly different from the estimate.

15 (c) Analysis of the pension liability

	31 March 2025	31 March 2024	31 March 2023
	£m	£m	£m
Liability relating to active members	2,078	2,087	2,088
Liability relating to deferred pensioners	9	10	17
Liability relating to pensions in payment	2,412	2,148	2,191
Scheme liability at 31 March (existing schemes only, excluding O'Brien and Miller pension liability)	**4,499**	**4,245**	**4,296**

During the year ended 31 March 2025, employers' contributions represented 62.55% of pensionable pay. This increased from 51.35% with effect from 1 April 2024, following the valuation of the scheme as at 31 March 2020.

For members in JPS 2022, employee contributions are 4.26% of pensionable pay, or 3% for a limited time until 31 March 2025 for a reduced accrual rate of 2.42% (compared to 2.5%) during that period.

The assessment of the liabilities is reliable to the extent that the assumptions are reasonable, which the actuary and Scheme Manager considers them to be, and the data provided is accurate. The results of the assessment would change if different assumptions were adopted or if the data were found to be inaccurate.

Pension scheme liabilities accrue over employees' periods of service and are discharged over the period of retirement and, where applicable, the period for which a spouse, civil partner or dependants survive the pensioner. In valuing the scheme liability, the actuary must estimate the impact of several inherently uncertain variables far into the future. The variables include not only the key assumptions noted in the table above, but also assumptions about the changes that will occur in the future in the mortality rate, the age of retirement and the age from which a pension becomes payable. Membership numbers in the years between full actuarial valuations are assumed to be stable.

The value of the liability on the Statement of Financial Position may be significantly affected by even small changes in assumptions. For example, if at a subsequent valuation, it is considered appropriate to increase or decrease the assumed rates of inflation or increases in salaries, the value of the pension liability will increase or decrease. The Scheme Manager accepts that, as a consequence, the valuation provided by the actuary is inherently uncertain. The increase or decrease in future liability charged or credited for the year resulting from changes in assumptions is disclosed in Note 15(h). The note also discloses 'experience' gains or losses for the year, showing the amount charged or credited for the year because events have not coincided with assumptions made for the last valuation.

15 (d) Sensitivity analysis

The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made.

The most significant financial assumptions are the discount rate, general earnings increase, and pension increases (currently based on CPI). A key demographic assumption is pensioner mortality.

The table below is an extract from the report of the actuary (page 22) and shows the indicative effects on the total liability as at 31 March 2025 of changes to these assumptions (rounded to the nearest 0.5%).

Sensitivity to significant assumptions

Change in assumption		**Approximate effect on total liability**	
Financial assumptions			
(i) discount rate*:	+0.5% p.a.	-5.0%	-£239 million
(ii) (long-term) earnings increase*:	+0.5% p.a.	+0.5%	+£24 million
(iii) inflationary (CPI) increases*:	+0.5% p.a.	+5.0%	+£239 million
Demographic assumptions			
(iv) additional 1 year increase in life expectancy at retirement		+4.0%	+£191 million

*Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability

15(e) Analysis of movement in the scheme liability

	Note	**2024-25**	**2023-24**
		£'000	£'000
Scheme liability at 1 April		4,514,152	4,584,332
Current service cost	5	198,000	214,000
Past service cost/(gain)	5	50,000	(10,000)
Enhancements	6	301	577
Transfers in	7	56	581
Transfers/McCloud refunds out	15(g)	(7,385)	(423)
Pension financing cost	8	229,000	190,000
Pension benefits payable	15(f)	(249,948)	(223,915)
Other re-measurement – losses/(gains)	15(h)	37,000	(241,000)
Scheme liability at 31 March		**4,771,176**	**4,514,152**

Within the figures above on page 63 are the following movements in the O'Brien/Miller pension liability:

	2024-25	2023-24
	£'000	£'000
Balance as at 1 April	269,678	288,413
Past service cost/(gain)	-	(500)
Pension financing cost	13,389	11,572
Pension benefits payable	(14,479)	(19,120)
Other re-measurement – losses/(gains)	3,424	(10,687)
Balance at 31 March	**272,012**	**269,678**

15 (f) Analysis of benefits paid

	2024-25		2023-24	
	£'000	£'000	£'000	£'000
Members - pensions	125,702		105,933	
Members - lump sum on retirement	13,053		10,461	
Dependants - pensions	12,751		12,180	
Dependants – lump sum on death of member	2,237		1,472	
Pension benefits payable from Supply		**153,743**		**130,046**
Members – base pensions	76,803		73,778	
Members – lump sum on retirement	10,449		11,007	
Dependants – base pensions	6,810		9,077	
Dependants – lump sum on death of member	2,143		7	
Pension benefits payable from Consolidated Fund		**96,205**		**93,869**
Total pension benefits payable charged against provision		**249,948**		**223,915**

15 (g) Analysis of transfers out and refunds from the pension scheme

	2024-25	2023-24
	£'000	£'000
Individual transfers to other schemes	-	6
Refund of AVCs to members relating to McCloud option choice	841	417
Payments in respect of reversal of tax relief on contributions, relating to McCloud option choice	6,544	-
Total transfers out/refunds from the pension scheme	**7,385**	**423**

15 (h) Analysis of other re-measurements

	2024-25	2023-24
	£'000	£'000
Experience losses arising on the scheme liabilities	(7,000)	(225,000)
(Loss)/gain resulting from changes in assumptions underlying the present value of scheme liabilities	(30,000)	466,000
Per Statement of Changes in Taxpayers' Equity	**(37,000)**	**241,000**

15 (i) History of experience gains and losses

	2024-25	2023-24	2022-23	2021-22	2020-21
	£'000	£'000	£'000	£'000	£'000
Experience (losses)/gains on scheme liabilities:					
Amount	(7,000)	(225,000)	(333,000)	87,000	78,000
Percentage of the present value of the scheme liabilities at the balance sheet date	0.15%	4.98%	7.27%	(1.27%)	(1.24%)
Total other re-measurement - (losses)/gains:					
Amount	(37,000)	241,000	2,397,000	(277,000)	(282,000)
Percentage of the present value of the scheme liabilities at the balance sheet date	0.78%	(5.34%)	(52.34%)	4.05%	4.47%

16. Financial Instruments

As the cash requirements of the JPS are met through the estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public service scheme of a similar size. Most financial instruments relate to contracts for non-financial items in line with the JPS's expected purchase and usage requirements and the JPS is therefore exposed to little credit, liquidity or market risk.

17. Contingent liabilities disclosed under IAS 37

There are a number of on-going legal claims in relation to discrimination between fee-paid and salaried judges, and in relation to salaried judges working in a court of higher jurisdiction which may give rise to further pay and pension claims. The estimated possible impact on the future JPS pension liability of all such claims is approximately £0.6m.

18. Related party transactions

The JPS does not fall within the ambit of the MoJ, as it obtains Parliamentary approval for its resources under a separate supply estimate. The MoJ is the Lead Appointing Body for most judiciary within the JPS. The Lord Chancellor is the scheme manager. The Permanent Secretary to the Ministry of Justice has been appointed as Accounting Officer for the JPS. The MoJ is regarded as a related party with which the JPS has had material transactions during the year.

In addition, the scheme has had material transactions with other government departments, other central government bodies and the devolved administrations whose employees are members of the schemes. Most of these transactions have been with HMCTS, Northern Ireland Office and Scottish Government.

The JPS has not had unusual material transactions with the MoJ and other participating government departments who appoint Judicial Office Holders that are members of the JPS.

None of the managers of the scheme, key managerial staff or other related parties has undertaken any material transactions with the JPS during the year.

19. Events after the reporting period

In accordance with the requirements of IAS 10 Events After the Reporting Period, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Following last year's Court of Appeal judgment in Virgin Media Limited v NTL Pension Trustees Limited, on 5 June 2025, the government announced it would introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The Scheme will therefore work with its advisers to understand whether a review of historic s 37 confirmations is required and if necessary, undertake such a review.

There were no other events between the end of the reporting period and the date the financial statements were authorised for issue that would be considered to significantly affect these accounts.

The Accounting Officer has authorised these accounts to be issued on the date the Comptroller and Auditor General certifies the accounts.

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