

Cost Management, Benefit Design and Administration Committee (CMBDA)

Hybrid Meeting – 3 November 2025

Item 5 Paper B – Access and Protections Response

Background

1. The Government launched a consultation on 15 October 2025 entitled [Local Government Pension Scheme in England and Wales: Scheme improvements \(access and protections\)](#). The consultation is due to close on 22 December 2025 and contains proposals to amend Scheme rules in four main areas:
 - Normal Minimum Pension Age
 - Access for councillors and mayors
 - Academies
 - New Fair Deal
2. The Committee is invited to discuss what recommendations it would make to the Board about how best to respond. A short summary of the main proposals is below.
3. The Secretariat will use the steers given by this Committee and the Board to draft a response. That response will be shared in draft with members of this Committee and the Board before being finalised and cleared by the Board Chair and Deputy Chair (currently vacant).
4. Local Government Pension Committee (LGPC), which represents local authority interests in dealing with Government and others on local government pension issues is also likely to be preparing a response. As in previous consultations, we will aim to align our response with that, apart from where, due to the different composition of the Board, it believes that its interests diverge from those of the LGPC membership.

Normal Minimum Pension Age

5. From 6 April 2028, the Normal Minimum Pension Age (NMPA) is increasing from 55 to 57. In line with changes¹ brought in by the Finance Act 2022, the former pension age for those with scheme rights existing before 4 November 2021 can be protected [\[23ZB\]](#). MHCLG is proposing to put in place protections for those who have LGPS membership before 4 November 2021 (and preserve earlier NMPA for those who have

¹ [Finance Act 2022](#)

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protections from earlier changes to NMPA). Protections will not be offered to those who joined the LGPS after 3 November 2021 but qualify for a protected pension age on benefits transferred in from another scheme.

6. The Committee has discussed the proposed change to NMPA protections on numerous occasions in the past without ever reaching a settled position. We anticipate that there would be significant additional work required of administrators to track where members have a protected NMPA and pay the benefits accordingly. At the same time, the flexibility to take benefits earlier than 57 is likely to be one that members value highly. That is both in terms of active members who have already started retirement planning, but also in terms of deferred members who in recent years have increasingly needed to access their LGPS benefits early.

Are there particular issues or positions that the Committee would like the Secretariat to include in the draft response?

Access for councillors and mayors

7. In 2003, a special section of LGPS was established which enabled councillors, subject to permission being granted by the local authority's remuneration panel, to join the scheme and receive both retirement and death benefits for a flat contribution rate of 6% of their basic and special responsibility allowances.
8. In 2014 the Government decided to exclude new councillors and other elected local office holders in England from any membership of LGPS. The change came into effect on 1 April 2014 although already active members were allowed to stay in the scheme until the end of their term of office. In Wales, Scotland and Northern Ireland elected members have been allowed to remain in LGPS.
9. The current proposal is to make elected councillors and mayors eligible to join the "standard" LGPS scheme without requiring authorisation from their remuneration panel. Some features of the main scheme would however be "turned off" for elected members (eg around auto-enrolment, redundancy and the employer flexibility to award them additional pension).
10. The consultation refers to the [LGA 2022 census of councillors](#), which showed that 59% of councillors were male, 92% were white and their average age was 59.5. The aim of the proposal is to help improve the representativeness of elected members, especially in terms of age. This is in relation to electors generally, rather than the local government workforce (which we know is very different in composition from councillors). There is also a stated aim to have greater consistency between the different nations in the UK.

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Academy transfers

11. Under the 2013 LGPS Regulations, academy schools participate in the fund in which the school is geographically located. Multi-academy trusts can run schools across different LGPS fund areas and the regulations also allow them to apply for a direction from the Secretary of State (under Schedule 3 part 2, paragraphs 3 and 4 of the LGPS Regulations 2013) to substitute a different administering authority as the appropriate authority.
12. The consultation contains two proposals, both relating to the process for changing the fund in which academy schools participate. The first is to set out some considerations that MHCLG believes should determine when such a direction should be granted. These seem broadly sensible. The other sets out a process for doing this by agreement “between the parties” without the need to seek a direction from the Secretary of State. This is something that we feel requires further thought and has significant risks of miscommunication and lack of legal clarity associated with it.
13. It is also worth noting that at the same time as issuing the consultation, MHCLG have granted the direction requested by Oasis in 2021. Oasis applied for a direction to transfer all of its LGPS interests (and those of its sub-contractors) into a single fund. That would involve transferring into the receiving fund the assets and liabilities from the 16 different exporting funds. Oasis applied for the receiving fund to be London Pensions Fund Authority (LPFA), despite it not having any active members in that fund.

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New Fair Deal

14. The consultation proposals in this area aim to bring pension protections on staff transfers in local government in line with the government’s Fair Deal guidance of 2013. Earlier consultations (in 2016 and 2019) contained proposals on how to achieve that in LGPS but were never put into effect. This consultation sets out updated policy proposals that build on those earlier proposals and which the Secretariat and LGPC colleagues have played a significant part in shaping.
15. Some of the key changes to existing arrangements are:

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- Putting provisions into the 2013 regulations directly, rather than relying on Best Value directions to local authorities (made under different powers) and other arrangements for different classes of employer
 - Employers will no longer be able to offer “broadly comparable” schemes to the LGPS, they will have to offer continued access to LGPS
 - The regulations will broaden out the existing “deemed employer” model so that newly defined “Fair Deal employers” (largely scheduled bodies) will continue to be the deemed employer for the purposes of the regulations in relation where their staff are contracted out (or further sub-contracted)
 - As admission agreements will no longer be required, members shouldn’t have to put up with the uncertainty of working for an employer that has been required to enter into an admission agreement with the fund but hasn’t managed to do so by the time of the staff transfer.
16. Closely related to these proposals is the Labour Party manifesto commitment to put in place a revised and strengthened Two Tier Code, which would protect not just those workers involved in the initial transfer out of the public sector, but also those subsequently hired to work on that contract. The Employment Rights Bill contains powers to amend the Procurement Act to bring in this Code, but the Bill has not yet completed its passage through Parliament. It is also unclear what the Government intends the Two-Tier Code to contain in detail.

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Public Sector Equality Duty Assessment

17. The work done by the Board on gender pension gap reporting has shown that there are clearly differential outcomes from the apparently gender-neutral rules of the LGPS on men and women who participate in the scheme. This is driven by differences in career paths, societal family structures and probably an element of gender discrimination in employment. Because of this, the Board strongly believes that proposals to change scheme benefits or scheme rules should be accompanied by a proper analysis of the impact of that change on men and women. That would be:

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- a) To demonstrate that there is not likely to be any adverse impact on women of the change (a “negative check”); and
 - b) To consider whether there is an opportunity to implement the change in a way that reduces the evidenced differences in outcomes between men and women (a “positive” check).
18. The Committee also believes that in its response, the Board should again flag the need to find a means of assessing the impact of LGPS rules, and changes to those rules, for a wider range of protected characteristics. It is plausible that the differential outcomes seen between men and women might also be apparent between other protected groups, and this is something that MHCLG, as scheme authority, really ought to have data on.
