

## **Paper C: LGPC update**

### **Key points to note**

- significant member benefit changes will take effect from April 2026
- councillors and mayors in England will be eligible to join the LGPS from 11 May 2026
- work on pensions dashboards continues
- new tools to help promote the LGPS will be published soon.

### **Recommendation**

The Board is asked to note the content of this report.

### **Background**

The Local Government Pension Committee (LGPC) is a committee of councillors constituted by the LGA. It represents local authority interests in dealing with Government and others on local government pension issues. Its work is carried out by the LGPC secretariat at the LGA.

The LGPC secretariat also provides an advisory and training service to LGPS administering authorities across the UK. The service is funded by a subscription on LGPS authorities as well as training and qualification income.

### **Member benefit changes – Access and Fairness**

MHCLG has responded to the Access and Fairness consultation. It has confirmed it will introduce the changes proposed in the consultation in two stages. The first phase of changes will come into force on 1 April 2026. These are:

#### **Death grants and survivor benefits**

- equalising survivor benefits including backdating benefits to survivors of opposite sex marriages and civil partnerships
- removal of the upper age limit of 75 to qualify for a death grant
- removal of the requirement to pay a death grant to personal representatives if the administering authority has not paid it using their discretion within the ‘two year period’.
- removal of the requirement to have nominated a cohabiting partner for deaths between 1 April 2008 and 31 March 2014.

## Gender pensions gap – member benefits

- short authorised absences of fewer than 15 days will automatically be pensionable, with employee and employer contributions payable on the member's return to work
- the cost of buying back lost pension for longer authorised absences will be aligned with the standard member and employer contribution rates
- any pension bought back will count towards the calculation of survivor benefits and will not be reduced if the member retires on redundancy or efficiency grounds
- members will have up to 12 months (instead of 30 days) to elect to buy back lost pension, provided they remain in the same employment
- employers will be able to pay their share of contributions for unpaid periods lasting more than three years
- additional unpaid maternity and adoption leave, and shared parental leave will be automatically pensionable. Member contributions will be payable on pay received, if any.

## Abolition of the lifetime allowance

- introducing the long-term approach to the maximum pension commencement excess lump sum (PCELS). A PCELS is paid when a member has used up all of the lump sum allowance set by HMRC. The new maximum will be 25% of the capital value of the benefits being crystallised, subject to the contracting-out limits.
- the new PCELS limit will apply to all PCELS paid after 31 March 2026.

## Other changes

- various changes related to the McCloud remedy
- allowing a small pot payment to be paid to members who left before 1 April 2008.

## Next steps

Legislation to enact these changes was laid on 9 March 2026. It will take effect from 1 April 2026. The Government plans to implement the remaining proposals from the Access and Fairness consultation later in 2026. This includes removing the requirement to pay refunds automatically at the end of five years, the collection and publication of opt out data and forfeiture changes.

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## LGPC support

We will publish a special bulletin setting out detailed information about the changes, including any transitional arrangements and the implications of backdating some of the regulation changes by the end of March. We also expect MHCLG to issue statutory guidance and new actuarial guidance in response to the changes. We will also update the national member website and template member communications.

## Councillors and Mayors

MHCLG confirmed in its [partial response to the Access and Protections consultation](#) that it will proceed with plans to extend the LGPS to councillors and mayors in England. This change will give access to the LGPS to:

- all mayors and deputy mayors in England
- all councillors at principal authorities in England, and
- all London Assembly members.

We understand the effective date will be 11 May 2026, the first Monday after the local elections.

Elected members who wish to join will be required to opt in to the Scheme under regulation 3(6) of the LGPS Regulations 2013. They will join the 2014 CARE scheme with certain modifications. Welsh councillors will remain in the 1997 scheme.

## Next steps

We understand the legislation to enact the changes will be laid in March. The Government confirmed it will provide a response on the other policy areas covered in the Access and Protections consultation later this year. These are New Fair Deal, increases to the normal minimum pension age (NMPA) and the consolidation of academies in the LGPS.

## LGPC support

We are preparing a special bulletin, planned for April, that will set out the key differences between elected and non-elected member participation in the LGPS and outline the actions administering authorities will need to take. We will also update the member website and produce:

- a brief guide for councillors and mayors in England
- a template opt in form with a covering letter
- a promotional leaflet.

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## **Pensions Dashboards**

### **Aligning illustration dates for LGPS benefits**

There has been ongoing discussion in the pensions industry about aligning illustration dates for members who hold both defined benefits (DB) and defined contributions (DC) within the same pension scheme. In the LGPS, this specifically impacts members with Additional Voluntary Contributions (AVCs).

The Department for Work and Pensions (DWP) has now confirmed its policy intent: illustration dates should align at a **benefit level**. DWP is currently considering whether this requires amendments to the Pensions Dashboards Regulations 2022.

### **Consumer testing – second phase**

The Money and Pensions Service (MaPS) has begun the second phase of consumer testing for the MoneyHelper Pensions Dashboard, starting on 2 March 2026. They are inviting adults aged 18 or over who have not started drawing all their pensions to participate. MaPS is particularly keen to involve people who may have access needs or lower confidence with literacy, numeracy, digital skills or technology.

A toolkit has been provided to help organisations, including LGPS administering authorities, share the opportunity with their audiences. Slides from a recent briefing webinar are also available, outlining the aims of the research and how organisations can support the development of the dashboard.

We are encouraging LGPS administering authorities to contact PDP Support if they have questions and to inform them when they plan to issue invitations and how many people they will contact.

### **PDP consulting on industry involvement to deliver private sector dashboards**

The Pensions Dashboards Programme (PDP) is consulting on how to work with industry to deliver Private Sector Dashboards (PSDs). The aim of these dashboards is to operate alongside the MoneyHelper dashboard, giving savers more choice and flexibility in accessing their pension information.

PDP will set up a working group made up of members who are actively planning to operate a dashboard. A separate group is planned for strategic input and information sharing.

## **Promotion project**

We have worked the Communications Working Group to develop resources to promote the LGPS. These are designed to be used by Scheme employers and administering authorities to educate employees about the benefits of LGPS membership. We are close finalising the short video and information leaflet. Other resources will follow including:

- posters
- social media tools
- e-learning module
- email footers.

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