

## **Paper B: 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.

### **Recommendation**

The Committee 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 also provides an advisory and training service to LGPS administering authorities across the UK. The service is funded by a subscription on LGPS authorities and training 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**

- equalisation of survivor benefits
- 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 pension gap – buying back lost pension**

- introduction of Qualifying Additional Pension Arrangements (QAPAs) which align the cost of buying back pension 'lost' during a period of authorised unpaid absence of more than 14 days with the member and employer's normal contribution rates
- the time limit to apply for a QAPA will be one year after returning to work. This is an increase from the current limit of 30 days, but will only be possible while the member is an active member in the same employment
- the pension bought through a QAPA will mirror normal pension built up: it will count towards the calculation of survivor pensions, and will not be reduced if the member retires on redundancy or efficiency grounds
- these new rules will only apply to a continuous period of authorised unpaid absence that started **after** 31 March 2026

## **Gender pensions gap – absences of less than 15 days**

- compulsory pension contributions during authorised unpaid absences of 14 days or less, with contributions based on 'lost' pay and the member and employer's normal contribution rates. This applies to authorised absences that start after 31 March 2026.

## **Gender pensions gap – child related leave**

- all adoption, maternity and shared parental leave will be pensionable whether is paid or unpaid. The employer will be required to pay contributions on the 'assumed pensionable pay' the member would have received had they been at work. The member will pay contributions on any pay they receive.
- currently members have the option of buying back lost pension in respect of any unpaid additional maternity and adoption leave or unpaid shared parental leave if they return to work.
- the new rules will apply if the unpaid period starts after 31 March 2026.

## **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**

We expect the Government to lay the statutory instrument that will amend the LGPS regulations in early March.

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.

### **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 as soon as possible after the SI is published. 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

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regulation 3(6) of the LGPS Regulations 2013.

We are continuing to work with MHCLG to consider and resolve any technical queries on the regulations. In addition, 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.

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.

## **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.

### **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.

### **PDP opens consultation on updated reporting standards**

The PDP has released an updated draft of its reporting standards (version 2.1). This update sets out the technical requirements pension providers and schemes will need to follow when sending daily reporting data to the Money and Pensions Service

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(MaPS) through application programming interfaces (APIs).

While the update changes how the data is reported to MaPS, it does not change what data must be generated, recorded or reported. The PDP is proposing an implementation deadline of 30 November 2026.

The PDP has now opened a consultation on the changes and is inviting views from pension providers, schemes and other interested stakeholders. The consultation closes on 25 March 2026.

You can [view both the consultation and the updated draft reporting standards](#) on the PDP website.