Cost Management, Benefit Design and Administration (CMBDA) Committee
6 July 2026 11.00am
Room 4.3, 18 Smith Square, London and Microsoft Teams

Paper E: Gender pensions gap (GPG) update

Key points to note

The paper provides an update on progress the secretariat on GPG work. Updates are provided on the working group, the further research project and employer guidance and engagement work.

Recommendation

That the committee notes this update and agrees the action plan at Annex C.

Further research

At the time of the last committee meeting, the methodology for the joint funded research project with Westminster Pension Fund, Westminster Council, Hymans Robertson and Investors for Purpose was being finalised. The project aims to assess the scale and nature of gender, ethnicity and disability pension gaps within a LGPS fund, including how these have changed over time and how different characteristics intersect to influence outcomes. It also seeks to understand members' attitudes to pension saving and identify the underlying causes of disparities.

The research combines quantitative analysis of pension fund and workforce data with qualitative insights gathered through targeted interviews. This approach is designed to both measure the extent of pension gaps, explore the practical barriers and experiences behind them.

The timetable for the data analysis, interviews and production of the final report has slipped from the originally expected April/May due to work getting relevant data agreements in place taking longer than expected. However, the secretariat is pleased to report that the 30 planned interviews have just been successfully completed.

The questionnaire at Annex A was used to guide the interviews. Early insights are beginning to emerge from the data and a fuller verbal briefing will be provided at the committee meeting, as researchers are currently reviewing and analysing the findings.

Email: SABSecretariat@local.gov.uk **Website:** LGPS Board

The secretariat is also considering the communication activities for when the final report is available to ensure the report findings reach the most relevant stakeholders of funds and employers. Communication activities will include sharing the report directly with funds, employer contacts and a webinar to discuss the findings. The committee are asked to share any useful channels or stakeholders which the secretariat can use to promote the research.

Best practice guide for employers

The wider pension industry group, the Pensions Equity Group (PEG), updated the 'Mind the Gap' best practice guide earlier this year to make it more relevant for both defined contribution and defined benefit pension schemes.

When releasing the guide, the PEG said, '*the guide is a practical, action-oriented tool to help employers understand, measure and reduce the gender pensions gap*. *Women still retire with around half the pension income of men, despite higher participation rates which are driven by lower pay, part-time work and time out for caring. And while gender pay gap reporting is now well-established, pension inequality often goes unmeasured and therefore unchanged.*

Our tried and tested guide gives employers a clear path forward with:

- *Bronze, Silver and Gold actions across data, policy and communications*
- *A framework to diagnose the real drivers of your organisation's pension gap*
- *Practical ways to support employees at key life stages - from parental leave to menopause to caring responsibilities*.

The secretariat considers that the updated guide (Annex B) is now more relevant for an LGPS audience. However, there remains an appetite within the Gender Pensions Gap Working Group for a dedicated public sector/LGPS version, including content that reflects the differences between LGPS employers. The secretariat is currently considering how the guide should be further developed and welcomes feedback from the committee on this. In particular, it would be helpful to gather views from LGPS employers once more data becomes available through the 2025 actuarial valuation reports.

This guide will be an important part of the secretariat's broader aim of engaging with HR professionals to address the root causes of the gender pensions gap. Hence, the secretariat is keen to speak with LGPS employers to identify what practical support, guidance, and communications are needed to address issues such as supporting workers with caring responsibilities. Whilst the outcome of the research will also be a significant part of this understanding, the secretariat is receiving support from the LGA's Workforce team to reach out to HR leads and education networks. This will include seeking feedback on how the guidance could be made more relevant and accessible to LGPS employers.

Specifically with the aim for the secretariat to attend network meetings or convene an HR network session after the summer. The committee are also asked to share relevant existing employer networks and forums which may be useful for the secretariat to engage with to hear directly from employers.

Working group meeting

The group met on 30 April 2026 and considered several items of ongoing work:

- The updated PEG 'Mind the Gap' guidance was acknowledged as a welcome development and the group expressed support for the development of an LGPS-specific version of the guide, noting its potential value. However, feedback highlighted the diversity across LGPS employers and the need to ensure any guidance is flexible and practically applicable across different organisational contexts. The secretariat agreed to give consideration on how this variation can be effectively reflected and early proposals to engage key stakeholders are in further discussion to shape its development.
- The group discussed the engagement activity being explored with the LGA workforce team, particularly the potential to convene an HR network session later in the year to share insights and gather employer perspectives to inform future work.
- The group welcomed that the Government response acknowledged the work of the Board, committee and working group's input to help shape the understanding of the GPG in the LGPS and the input into policy discussions leading to the reforms were beneficial in understanding the possibilities. In relation to recent scheme member benefit changes, the group agreed that it is too early to assess their full impact, with ongoing work required by administrators and employers to fully understand and implement these changes.
- An update was also provided on Westminster's research project on wider pension gaps, including ethnicity and disability. In addition, there was recognition of the need to begin considering how GPG reporting may need to evolve in advance of 2028 but this would be discussed at a later meeting once the 2025 valuation reports were fully adsorbed.

Email: SABSecretariat@local.gov.uk **Website:** LGPS Board

- It was shared that initial fact-finding discussions have taken place with a system provider (Heywoods) regarding how pension administration systems and member-facing portals are designed and take account for gender and other characteristics. There needs to be further opportunities to explore this further with the working group and particularly in the context of wider industry practice around member-focused digital solutions**.**

Access and Fairness – ongoing work

The committee may want to be aware of the following two areas in the Government response to Access and Fairness which are being worked on over a longer timescale and require a detailed roadmap of implementation to be created alongside MHCLG:

Gender pensions gap – reporting

The Government indicated its intention to work with the sector to develop more comprehensive GPG reporting for the 2028 valuation, including the potential introduction of employer-level reporting. The secretariat already identified at the previous committee that further engagement and analysis will therefore be necessary to support this work. As basic GPG reporting has now become mandatory for administering authorities from the 2025 valuation, the Board has a scheme-level view of this data in the 2025 scheme-level valuation report, covered in item 6. Employer or employer-type level analysis would potentially be more informative, where there were differences in workforce composition or other relevant factors.

Opt-out data

Government's intention was to require opt-out reporting from 2026/27, with reporting in fund annual reports for that year, although this is on the GPG workplan, it is also covered in item 11 of this committee which states that the detail of content and timing of actions are to be agreed with MHCLG and we hope to have detailed proposals by the November meeting not taken forward yet as more discussion with MHCLG/LGPC is needed.

Annex A – Research questionnaire

1. Can you talk me through your working life so far, where you started and the key turning points?

2. Thinking back to when you were making your career decisions, what felt most important at the time? (stability, flexibility, salary, progression, family, location...)?

3. How prominent was your employer's pension provision in your decision making back then?

4. Since joining your current organisation, how has your role and progression evolved? have there been any structural or personal factors that influenced whether you pursued or secured advancement opportunities?

Work patterns and interruptions

5. Have there been moments where work and personal life pulled you in different directions? What happened? (This often surfaces caregiving, relocation, health, etc. without asking directly.) How did that affect your career choices or trajectory?

6. Have your working patterns changed over time (full-time, part-time, breaks, flexible work)? What influenced those changes?

Household context and long-term planning

7. Thinking about your life outside work, what responsibilities or commitments shape your financial decisions?

8. At what point in your life did long-term financial planning becoming important to you – if at all? Was there a trigger?

9. When you think about retirement, what would a 'good' one look like for you personally? And what kind of monthly income do you imagine you would need to feel comfortable in that stage of life?

10. What types of expenses do you expect that income to cover at retirement?

11. How clear or intuitive are financial terms like compound interest, inflation, investments feel to you, and how (if at all) do they influence your savings decisions?

12. What do you see as your main source of income at retirement?

Pension awareness engagement and workplace culture

13. How clear do you feel about how your workplace pension works? If low clarity: What makes it unclear? If not mentioned: where have you learned most of what you know about pensions? (Employer, family, peers, own research.)

14. How does your employer usually communicate about pensions? And how often? Does that communication feel relevant to you personally?

15. What would make pension information feel more accessible or useful to you?

16. Has anyone ever encouraged you to increase contributions or review your pension?

17. In your workplace, who tends to talk most about pensions? (e.g. HR, managers peers, or certain groups of employees) Who tends to stay quiet?

Reflections

18. Do you think everyone at your workplace can save for the retirement they want? So, for example with different life circumstances like career breaks, children, or caring responsibilities.

19. What do you wish you had known earlier in your career?

Annex B - Mind the Gap best practice guide

Email: SABSecretariat@local.gov.uk **Website:** LGPS Board

Annex C – Gender pensions gap action plan

Action	Status
A. Explore and propose a standard GPG definition and reporting approach (including methodology) for the Local Government Pension Scheme, including both for funds and employers	Reporting proposal agreed in February 2025 (**Completed**) Board response submitted to the Access and Fairness consultation (**Completed**) To work with MHCLG and GAD on the guidance for reporting (including methodology) (**Completed)** To work with MHCLG and LGPC to scope out the work needed to develop GPG reporting for 2028 in line with the Access and Fairness consultation response (**Ongoing)**
B. Explore with the Pension Equity Group (PEG) how to adapt the 'Mind the Gap' employer best practise guide for the Public Sector	Meeting with other public sector pension schemes to be arranged (**Ongoing**) Identify appropriate networks for employer engagement (**Ongoing**) Include in the further research specification (**Ongoing**)

Email: SABSecretariat@local.gov.uk **Website:** LGPS Board

C. Work with MHCLG (as required) to conduct a more detailed review of treatment of authorised unpaid leave and produce proposals for consultation on amendment to the LGPS regulations and SCAPC's	Access and Fairness consultation launched with proposals for changes to unpaid leave (**Completed**)
D. Analyse the responses from the GPG survey to local government employers	Results issued in February 2025 (**Completed**)
E. Investigate and identify how pension member self-service portals and other communication tools can help to communicate the impact of breaks, life events and improve financial planning for women	Engagement with one software provider (Heywoods) taken place
F. Identify the communication needed to employers on the GPG to raise awareness of the specific issues which impact the GPG within the LGPS regulations, particularly during scheme member life events.	Roundtable event with employer representatives and industry experts organised (**Completed**) Consultation response to address specific issues and ideas (**Completed**) For the Secretariat to identify the most appropriate employer forums and routes to continue to engage with LGPS employers. (**Ongoing**)
G. Further research into the pensions gap for individuals with other protected characteristics, including the intersection of these with the already established gender pensions gap.	Research underway and final report findings expected in summer 2026 (**Ongoing**)

H. Update the annual reports guidance to facilitate the publication of opt-out data in line with the Access and Fairness consultation response.	To be confirmed
I. Support the next steps for collection of additional opt-out data in the scheme opt out form template	To be confirmed

Mind the Gap

Reducing the gender
pension gap

Pensions Equity Group

Tackling the gender pay gap

When inequality holds women back, it holds organisations back. Employers have overwhelmingly recognised the reality of the gender pay gap and many are making strides toward reducing it.

For employers with more than 250 employees it's a legal requirement to report on the gender pay gap and many smaller organisations are also reviewing their gender pay gaps.

There's an opportunity for HR professionals to make their workplaces more inclusive by putting broader people strategies on their organisation's agenda.

The largest single benefit provided by employers is a pension, so this is the natural next point of focus.

We've created this guide to help employers with the gender pension by understanding it, measuring it and reducing it.

What is the gender pension gap?

The gender pension gap can be described as 'the percentage difference in the pension income built up for male and female scheme members over a typical working life'.

According to the Office of National Statistics, the participation rates in pensions are greater among women than men (both for full and part-timers)[1]. And yet a woman still retires, on average, with half the pension of a man. Women save, on average, less than men. In 2021, the gap between annual savings for women and men was £500 per year in the private sector and over £2,000 per year in the public sector[2].

This means women are less likely than men to get beyond, or even reach, the 'Minimum Standard of Living', as set out in Pension UK's Retirement Living Standards[3] making them more likely to suffer poverty in retirement.

Women are more likely to fall into the categories[4] of lower earners, part-time workers and workers with caring responsibilities. This means that, as an employer, you can make an impact on your employees' future retirement income by understanding your role and the steps you can take to improve the pension benefits to people in those groups.

Pensions are a function of pay, and so any gender pay gap will always translate to a gender pension gap. Gender pay gap reporting is now well-established in the UK. Gender pension gap reporting is not, but is a growing area of interest in both the public and private sector. Beyond differences in pay and part-time working, the periods of a woman's career when she is not accruing a pension contribute significantly to the gap. Across the course of a woman's life, such gaps – such as taking unpaid leave to look after children or perform other caring responsibilities – all add up.

This guide covers three specific areas that all employers should consider to address this gap.

1 Source: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacepensions/bulletins/annualsurveyofhoursandearningspensiontables/2021provisionaland2020finalresults

2 Source: Workplace pension participation and savings trends of eligible employees: 2009 to 2021 - GOV.UK (www.gov.uk)

3 Source: Home - PLSA - Retirement Living Standards

4 Source: Women and the UK Economy, Research Briefing, House of Commons, March 2023

How to use this guide

This guide is intended to be used by HR leaders to assess their organisation's current level of support and commitment to improving the gender pension gap for their employees. The checklist has been split between bronze, silver and gold measures to provide a simple tool for leaders to benchmark themselves and to provide a list of positive actions which can be implemented to improve the gender pension gap for people working within each organisation. The starting position and pace at which organisations can implement changes will vary.

Pension schemes in the UK

The UK has two main pension systems in place – defined contribution (DC) schemes which are the standard within private sector companies and defined benefit (DB) schemes which are more prevalent in the public sector. Public sector, including local government pension schemes, are more likely to have fixed contribution rates for both employees and employers, with DC schemes having more flexibility but often contributing less. This guide tries to set out possible improvements for both types of schemes, but some suggestions will inevitably only be relevant to one group.

Our aim is to improve pension provisions for all participants in the pensions market, focusing on the gap between genders in the short to medium term.

The gender pension gap in your own organisation

Over the following three pages is the checklist of actions that organisations can take to improve their gender pension gap. The potential actions are grouped into these three areas:

1. Understand your organisation's gender pensions gap and drivers
2. Raise awareness with your employees
3. Make meaningful benefit and policy changes

1 Understanding your own gender pensions gap and drivers

Bronze	Silver	Gold
Data and analysis		
❑ Calculate and analyse your gender pay gap as per employers with more than 250 employees[5] Employers with more than 250 employees are required by law to publish their gender pay gap.	Capture and analyse: ❑ Part-time working, split by gender and pay ❑ periods of caring absence (parental leave, elder care etc.) by gender ❑ take-up of pensions by gender ❑ contribution rates and additional contributions by gender ❑ average value of current pension savings (DC) or annual pension income expected at retirement age (DB) accrued during this employment, split by gender	❑ Create an action plan to tackle the identified gaps. Review this annually, along with the impact of actions in the plan.

5 Source: [Gender pay gap reporting: guidance for employers - GOV.UK (www.gov.uk)]

2 Raising awareness with employees

Bronze	Silver	Gold
Communications plan		
❏ Create an internal communications plan to raise awareness of the gap and your actions ❏ Communicate the value of employees' pension contributions and the impact on take home pay of opting out, including the loss of employer contributions – particularly with new recruits. ❏ Run campaigns to raise awareness of pensions and financial wellbeing referring to Pension UK's Retirement Living Standards[6] ❏ Provide or signpost to tools that support employees in calculating the impact of pension contribution holidays where used[7] ❏ Increase member education around milestone events including impact on state pension and accessing government support for childcare[8] ❏ Deliver special education sessions around key influencing topics, such as the impact of menopause on women and their working patterns including some information about reasonable adjustments and flexibility[9]	❏ Provide guidance to employees going through divorce about including pensions in the matrimonial assets and different options for pension sharing[10] ❏ Talk to your employees about household financial planning ❏ Run female-focused financial wellbeing workshops which include a section on the impact of carers' leave and part-time work on pension ❏ Raise awareness of impact on pension savings ahead of, and following, extended periods of leave ❏ Create a culture where all feel safe to utilise flexible working and leave policies, enabling a more equal work/life balance. This could include role-modelling across senior leaders or practical case studies on the benefits ❏ Continue to communicate the value of employees' pension contributions and the impact on take home pay of opting out at key points including annual benefit statement period, age milestones and during early career years. ❏ Ensure employees understand their retirement options and how they might maximise their benefit value	❏ Understand the cultural differences towards savings across your workforce and tailor communications to support this ❏ Create an external communications plan to support the actions you are committing to take, tell your story publicly ❏ Provide a statement to employees thinking about taking a pension pause, setting out the impact on projected pension outcomes – helping them to make more informed decisions

6 Source: Home - PLSA - Retirement Living Standards

7. Source: Workplace pension contribution calculator | MoneyHelper

8. Source: Family & care | MoneyHelper & Benefits if you have children | MoneyHelper

9. Source: Regulator provides advice for employers on menopause and the Equality Act | EHRC (equalityhumanrights.com)

10. Source: How could getting divorced affect my pension and retirement income? | MoneyHelper

3 Making meaningful benefit and policy changes

Bronze	Silver	Gold
Workplace policies		
❑ Put in place pension, menopause, maternity, paternity, family leave and caring policies. Make sure that they're inclusive and accessible ❑ Provide flexible working policies and promote them internally ensuring they're understood ❑ Make sure any private health insurance includes menopause cover	❑ Annually review your pension, menopause, maternity, paternity, family leave and caring policies to make sure they meet to best practice. Promote to existing employees and through the recruitment process ❑ Provide workplace menopause support	❑ Promote your flexible working policies externally as part of recruitment process ❑ Use senior role models to share examples of how flexible working practices are being used effectively. Share information internally and externally
Pension contributions and life events		
❑ Pay employer pension contributions during maternity and paternity leave – calculate it on salary at start of leave, not on actual earnings during leave ❑ Pay employer pension contributions during carers' leave	❑ Continue paying contributions during maternity and paternity leave even if pay stops (calculate as per bronze) ❑ Pay employer and employee pension contributions during carers' leave ❑ Extend paternity and family leave beyond the legal minimum	❑ Pay the equivalent of full-time employer pension contributions for part-time employees, reflecting that part-time working is usually for caring ❑ Where an employee chooses to opt out due to affordability, allow them allow them to opt-down to 0% and continue to pay employer contributions ❑ Extend paternity and family leave to 6 months
Pension contribution structure (DC schemes only)		
❑ Do not apply the earnings threshold of £10,000 for making pension contributions ❑ Remove any age related restrictions (e.g. age 22 auto-enrolment eligibility)	❑ Calculate and pay pension contributions from the first £ of employees' earnings rather than above the lower earnings limit of £6,396 ❑ Pay above the auto-enrolment minimum requirements and/or pay more than 5% employer contributions, without requiring an employee to pay more than the statutory 3% contributions	❑ Pay 6% or more employer contributions, and ensure a minimum total contribution of 12% is available This might enable accreditation as a Living Pension employer

Congratulations on taking action towards reducing the gender pay gap. This guide is designed to be a working document, so change can continue to be tracked and improved.

Please share your experiences, challenges and successes in implementing changes suggested within this guide with the Pensions Equity Group and with your own networks.

Together, we can create change which will reduce the gender pension gap and positively impact our pensioners of the future.

Pensions Equity Group

Website | LinkedIn