

Paper B: LGPC update

Key points to note

- significant member benefit changes were introduced in April and May 2026, including implementation of the first phase of the Government's Access and Fairness reforms and the introduction of LGPS membership for councillors and mayors in England
- the increase in the SCAPE discount rate has required a review of actuarial factors, resulting in the temporary suspension of certain calculations and the publication of transitional guidance
- legal advice is being commissioned on several complex administration issues to promote consistency across the LGPS
- a new LGPS promotion toolkit has been launched
- procurement for a new host for the National Insurance Database (NIDB) will start shortly.

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

Significant member benefit changes were legislated for and introduced in April and May 2026. Changes include:

- equalising survivor benefits
- changes to death grant provisions

- improved pension protection during child-related leave and other types of unpaid leave
- changes following the abolition of the Lifetime Allowance
- councillors and mayors became eligible to join the LGPS in England.

The LGPC secretariat has supported LGPS administering authorities and employers by providing detailed technical guidance, special bulletins, template member communications and employer resources, together with ongoing engagement and support across the sector.

SCAPE discount rate change

In May 2026, the Government announced an increase in the SCAPE discount rate from CPI + 1.7% to CPI + 2.0%. The SCAPE rate is used across public service pension schemes, including the LGPS, to calculate a range of actuarial factors. As a result of the change, the Government Actuary's Department (GAD) began reviewing and updating the affected factors.

Pending the release of revised factors, certain transfer calculations were temporarily suspended from 19 May 2026. The first batch of updated factors was released on 9 June 2026, allowing some suspended calculations to resume.

The LGPC Secretariat has produced a transitional table setting out the implementation instructions and transitional arrangements that apply to the new factors. We are liaising with MHCLG on implementation dates for the remaining factors and will update the transitional table as further factors are released.

Legal advice

We are seeking legal advice in three areas to support administering authorities and promote consistency across the LGPS. These issues have been identified as areas of complexity and inconsistency in current practice, where national guidance informed by legal advice would be beneficial.

Unclaimed benefits - administering authorities are increasingly dealing with cases where benefits must be paid (eg redundancy, ill health, age 75 cases), but the member either cannot be traced or refuses to engage. The issue has been highlighted because of pensions dashboards.

There is currently no consistent national approach. Legal advice is being sought to clarify what steps should be taken to trace or engage members, the appropriate processes and record keeping. The aim is to establish a clear, consistent framework for all funds.

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Payments to estates / deceased beneficiaries - recent changes (including backdated death grants for members age 75+ and survivor benefit equalisation) have created cases where payments are due, but the intended recipient or the personal representative has died. These cases raise complex issues such as:

- whether estates can be re-opened
- what to do if personal representatives cannot be traced
- the use of discretionary powers to pay amounts of less than £5,000 without the need for grant of probate or letters of administration.

Legal advice will support a practical process for handling these scenarios, ensuring consistency and managing risk.

Cohabiting partner eligibility - complexities arise where one partner has moved into care or hospital before death, raising questions about whether the cohabitation criteria are still met. Legal advice is being sought to clarify:

- how to interpret the legislation in these circumstances
- what evidence should be considered
- how to ensure fair, consistent and defensible decisions.

LGPS Promotion Toolkit

We have developed a new set of resources designed to help employers promote the value of the LGPS to members and prospective members.

As employers place increasing emphasis on financial wellbeing and total reward, the LGPS remains one of the most valuable benefits available to employees. These resources are designed to support employers in communicating that value clearly and consistently.

With around 16,000 active employers participating in the LGPS, collaboration across the sector is key to ensuring this message reaches as many people as possible. We have asked the sector for support in helping raise awareness of these materials.

The [LGPS promotion toolkit](#) can also be used by employers, administering authorities, representative organisations and other stakeholders to support engagement with members and potential members.

What's included in the toolkit?

- **Promotional video** – ‘Your future, your tomorrow, your pension’.

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- **Promotional leaflet** – available in Word and PDF, as well as a flipbook
- **Posters** – available in standard and print-ready formats
- **Email footer** – to reinforce key messages in everyday communications
- **Social media posts** – a set of five images with suggested wording and links, provided in a range of sizes for different platforms.

LGPS dashboards guidance updated

In June 2026, the LGPC updated its LGPS pensions dashboards guides to reflect the latest regulatory developments, industry guidance and user research.

Updates include revised matching terminology, clarification of the definition of a relevant member, updated guidance on illustration dates and data breaches, and the inclusion of the AVC Memorandum of Understanding.

The guides also reflect confirmation that the MoneyHelper pensions dashboard is expected to be available to the public during the 2027/28 financial year. These resources aim to help administering authorities and AVC providers prepare for consistent and effective dashboards implementation.

Lower earners' pension payment

From August 2026, HMRC will begin contacting around one million eligible individuals about the new low earner's pension payment, which is designed to ensure that low earners receive comparable pension tax relief regardless of the type of workplace pension scheme they belong to.

No action is required from employers. HMRC will identify eligible individuals and contact them directly. Employees may qualify if, from the 2024/25 tax year onwards, they paid pension contributions to a net pay arrangement scheme, such as the LGPS, without receiving income tax relief.

Individuals do not need to apply for the payment. Eligible members should wait to be contacted by HMRC and follow the instructions provided. Employers may wish to remind employees to remain alert to scams, as HMRC will never ask for passwords, PINs or money transfers.

NIDB changes

We are seeking a new host for the National Insurance Database (NIDB), which is currently hosted by South Yorkshire Pensions Authority (SYPA). Procurement for a replacement hosting arrangement will commence shortly, following notice from SYPA that it will terminate the current hosting agreement with effect from 31 March 2027.

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The NIDB plays a key role in LGPS administration by enabling administering authorities to identify members' records held across different LGPS funds. This helps ensure that pension benefits are administered accurately, efficiently and in accordance with Scheme regulations.

New administrator and employer website launch delayed

The launch of the new administrator and employer website has been deferred to allow additional work to be completed on the site build and to reflect current team capacity. The new website is now expected to launch in early September.
