Scheme Advisory Board (SAB) Meeting
23 November 2026, 1.30pm – 3.30pm
Beecham Room, 18 Smith Square, London
and Microsoft Teams

Paper B: LGPC update

Key points to note

This paper provides an update on key legislative changes impacting LGPS administration and the work of the LGPC secretariat.

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 subscriptions from LGPS administering authorities, as well as training and qualification income.

Recommendation

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

Member benefit changes

We expect the second phase of the Access and Fairness changes to be legislated for in April 2027. These include:

- changes to forfeiture provisions
- collection of opt-out data
- removing the requirement to pay refunds within five years of leaving
- other miscellaneous changes.

We also expect the remaining changes consulted on in the Access and Protections consultation to be legislated for in 2027, including:

- changes relating to the increase in the normal minimum pension age
- New Fair Deal - proposals to implement Fair Deal protections in the LGPS, ensuring continued access to the LGPS for outsourced workers
- academies and applications for a change in administering authority.

We are working with MHCLG on the implementation of these changes, including reviewing draft legislation and supporting the development of guidance. We will issue

a special bulletin setting out the changes and the actions required once the legislation has been made.

Some changes will require significant preparation by administering authorities and employers. In particular, the collection of opt-out data will require new processes and system changes for employers and administering authorities.

New Fair Deal represents a significant change and will place new responsibilities on administering authorities and employers in relation to outsourced workers, requiring changes to existing processes and practices.

MHCLG has asked for recommendations for phase three changes, and we have submitted a paper setting out our proposals. We do not expect any phase three changes taken forward to be implemented before April 2028.

Inheritance tax

From 6 April 2027, most unused pension funds and pension death benefits will form part of a deceased member's estate for inheritance tax purposes.

The changes will create new responsibilities for LGPS administering authorities. These include calculating the value of a deceased member's notional pension property and providing information to personal representatives and beneficiaries. In some cases, administering authorities may also be required to withhold part of a death benefit or pay inheritance tax to HMRC.

We will publish guidance to support administering authorities with these new responsibilities.

Legal advice

We commissioned legal advice in four areas where administering authorities have identified uncertainty or inconsistent approaches.

We have now published advice on:

Backdated payments relating to survivor equalisation and death grants

The advice considers the legal issues involved in making backdated payments to an estate or beneficiary following the Access and Fairness changes that equalised survivor benefits from April 2026.

Cohabiting partner eligibility

The advice covers assessing entitlement to a cohabiting partner's pension where the member or their partner spent an extended period in a care home or hospital during the two years before the member's death.

The advice confirms that living at different addresses does not, in itself, prevent a surviving partner from qualifying for a cohabiting partner's pension. For example, a period in a care home or hospital does not automatically break cohabitation. However, the length of the separation, the level of continuing contact and the couple's intentions are relevant when assessing whether the statutory conditions remain satisfied.

The advice also provides a step-by-step guide to handling care home and hospital cases, helping administering authorities reduce the risk of decisions being substantively or procedurally unreasonable.

Both opinions are available on the legal opinions page of www.lgpsregs.org.

We are awaiting advice on:

Unclaimed benefits

Administering authorities are increasingly dealing with cases where benefits become payable, but the member cannot be traced or refuses to engage. The advice will consider appropriate tracing activity, processes and record keeping, with a view to establishing a consistent approach across the LGPS.

Beneficiaries in prison

The advice will consider whether, and in what circumstances, imprisonment may be relevant when determining the recipient of a death grant. It will also consider practical issues relating to the payment of benefits where a beneficiary is serving a prison sentence.

Pensions dashboards

The legal deadline for pension schemes to connect to the pensions dashboards ecosystem was 31 October 2026.

We are not aware of any LGPS administering authorities that have not connected to the ecosystem.

We expect the Government to announce the dashboards available point (DAP) in the

coming months. This is the point at which pensions dashboards become available for members to use. Pension schemes will receive at least six months' notice before the DAP and we currently expect it to fall during the 2027/28 financial year.

We are contributing to the national communications planned by the Money and Pensions Service (MaPS) and will also work with the LGPS National Communications Working Group on communications.

We are also procuring legal advice on the data protection implications for administering authorities related to the definition of relevant member for pensions dashboards. The dashboard legislation only permits data for relevant members to be sent to dashboards.

An active or deferred member who also has a pension in payment from the Scheme is not a relevant member. The Pensions Regulator has confirmed that pension schemes may still be able to provide data for these members where they are satisfied that the legitimate interests test has been met. We have asked Osborne Clarke to provide advice to assist administering authorities with this assessment.

Two-year time limit for lump sum death benefits

As announced at Budget 2026, the pensions tax two-year rule has been removed.

For death grants paid on or after 28 October 2026 in respect of a member who died before age 75, the tax treatment will no longer depend on whether the payment is made within two years of the scheme administrator first becoming aware of the member's death.

New administrator and employer website

We recently launched a new website for LGPS administrators and employers in England and Wales.

The URL of the website remains the same: www.lgpsregs.org, but we have made changes to the design and structure of the site.

There are significant changes to the training and qualifications, employer guidance and administrator guidance pages. We have also changed how technical queries are submitted and how administering authorities update their contact details and submit vacancies for advertising on the site.

To help users navigate the site, we have published a short guide.

2027 training programme

We plan to launch the 2027 training programme in December 2026.

The programme will set out what training will be offered in 2027 for employers, administrators, officers with governance responsibilities and pension committee and local pension board members.

PMI Pinnacle Awards

The team received two nominations in the the PMI Pinnacle Awards:

- the team was nominated in the Impact on Learning and Professional Development category
- Toni Durrant, training and development adviser, was nominated in the Pensions Tutor of the Year category.

Staff changes

The LGPC team currently has no administrative support due to maternity leave and an unsuccessful appointment earlier in the year. We are in discussions with the Senior Leadership Team at the LGA about the impact on our service, due to the continued recruitment freeze as part of the organisation's wider restructure.

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