November 2025

Pensions Bulletin

Local Government Pensions Scheme (LGPS) Consultation – Access and Protections

The government launched a consultation on 15 October 2025 entitled Local Government Pension Scheme in England and Wales: Scheme improvements (access and protections).

The consultation is due to close on 22 December 2025 and contains proposals to amend Scheme rules in four main areas:

• Normal Minimum Pension Age • Access for councillors and mayors • Academies • New Fair Deal

Your views are invited as to how we should respond to the consultation.

Normal Minimum Pension Age

From 6 April 2028, in line with changes brought in by the Finance Act 2022, the Normal Minimum Pension Age (NMPA) in the LGPS is increasing from 55 to 57. Members of the scheme who had a right to retire at 55 as at, or before, 4 November 2021 will have that right protected. Protections will not be offered to those who joined the LGPS after 3 November 2021 but they qualify for a protected pension age on benefits transferred in from another scheme.

GG Comment: This is a matter of settled legislation and cannot be amended. We note that there will be significant additional work required by the scheme to track where members have a protected NMPA and at the same time, the flexibility to take benefits earlier than 57 is one that members value highly, so we believe that as much protection as possible should be afforded to members.

Access for Councillors and Mayors

In 2014 the then government decided to exclude new councillors (in England) from membership of the LGPS. This consultation proposes to make elected councillors and mayors eligible to join the scheme although some elements would not apply (e.g. around auto-enrolment, redundancy and the employer flexibility to award them additional pension).

GG Comment: This proposal represents the removal of a barrier to becoming a councillor and should therefore increase their representativeness. Additionally, it may give some councillors a greater insight into the workings and value of the scheme for their low pad workforce and discourage them from criticising it. It will also bring greater consistency between the 4 nations of the UK.

Academy Transfers Under the 2013 LGPS Regulations, academy schools participate in the fund in which the school is geographically located. Multi-academy trusts can run schools across different LGPS fund areas and the regulations also allow them to substitute a different administering authority as the appropriate authority.

The consultation contains two proposals

The first sets out some considerations that MHCLG believes should determine when such a direction should be granted. The other sets out a process for doing this by agreement “between the parties” without the need to seek a direction from the Secretary of State.

GG Comment: We support this proposal as members are more likely to benefit from wider access to the fund. However, allowing for agreement “between the parties” has significant risks of miscommunication and lacks legal clarity. We should also continue to protect our members right to join and remain in the fund and to protect them from unscrupulous employers.

New Fair Deal The consultation proposes to bring pension protections on staff transfers in local government in line with the government’s Fair Deal guidance of 2013 by closing loopholes and allowing staff to retain their right to remain in the LGPS.

Some of the key changes to existing arrangements are:

• Putting provisions into the 2013 regulations directly, rather than relying on Best Value directions to local authorities (made under different powers) and other arrangements for different classes of employer

• Employers will no longer be able to offer “broadly comparable” schemes to the LGPS, they will have to offer continued access to LGPS

• The regulations will broaden out the existing “deemed employer” model so that newly defined “Fair Deal employers” (largely scheduled bodies) will continue to be the deemed employer for the purposes of the regulations in relation to where their staff are contracted out (or further sub-contracted)

• As admission agreements will no longer be required, members shouldn’t have to put up with the uncertainty of working for an employer that has been required to enter into an admission agreement with the fund but hasn’t managed to do so by the time of the staff transfer.

Closely related to these proposals is the Labour Party manifesto commitment to put in place a revised and strengthened Two Tier Code, which would protect not just those workers involved in the initial transfer out of the public sector, but also those subsequently hired to work on that contract. The Employment Rights Bill contains powers to amend the Procurement Act to bring in this Code, but the Bill has not yet completed its passage through Parliament. It is also unclear what the Government intends the Two-Tier Code to contain in detail.

GG Comment: This consultation sets out updated policy proposals that build on the existing Fair Deal which the GMB have played a long and significant part in shaping.

This, along with an Equalities Impact Assessment, is one area of the consultation that can be wholeheartedly supported.

The full consultation can be found here and closes at 2359hrs on 22nd December 2025. Please submit any comments to me by no later than 5pm on Monday 1st December 2025 if you wish them to be included in the consultation.

In Other News

Too busy or confused

A recent survey of more than 12,000 people carried out by the Money and Pensions Service showed that 10.7 million UK adults were either *too confused or too busy to think about their pension*.

The survey also showed that:

- 22.5 million UK adults do not understand enough about pensions to make retirement decisions
- This was most common in younger age groups, but still included 45% of those aged 55 to 65
- More women (62%) than men (44%) said they lacked understanding of pensions

Half of UK adults do not have a plan for their retirement finances, including 37% of 55-to 65-year-olds.

Inflation Figures Set the Stage for 2026 Pension Increases

Inflation figures for September 2025 are in – and they will have a direct impact on 2026 pension increases in many schemes.

Last week, the Office for National Statistics (ONS) published inflation increases for the 12 months to September 2025:

- Consumer Prices Index (CPI) – 3.8%
- Retail Prices Index (RPI) – 4.5%.

The ONS also published its latest earnings increase figures, revealing that for the three months to July 2025, average weekly earnings increased by 4.8% compared to the same period last year.

For both the basic and single-tier State Pension, under the current triple lock mechanism – the highest of CPI inflation, earnings increases and 2.5% - we would expect an increase of 4.8% to be applied in April 2026.

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