



## **Reform UK Attack Local Government Workers – Again! Hands Off the Pension Scheme (LGPS)**

Since 2010 Local Government workers have seen their pay cut by 26% on average in real terms; meanwhile they continue to deliver essential services in their communities with fewer resources and with ever-growing demand. Security in retirement is the bare minimum they deserve after a lifetime of service to their communities and the LGPS provides some of that security, but only on average £5,416 p.a. for men and £3,198 p.a. for women – a far cry from the so called ‘gold plated’ pensions that Reform UK attack.

Reform UK have previously expressed a desire to stop newly appointed Local Government workers joining the LGPS, something that will make people even poorer in retirement.

**Reform have now launched a second attack on the scheme - this time from Reform UK Deputy Leader Richard Tice MP – who has written to councils under Reform control, urging them to cut employer contributions to staff pensions down to zero.**

Many LGPS funds are currently in surplus and the 2025 valuations, effective from April 2026, are expected to reflect this strong position, which will likely result in reduced employer contributions for many councils.

The GMB view is that surpluses in the fund should be shared equally, just as deficits are. Moreover, any decisions to reduce the contribution rate should be driven by professional actuarial advice and be actuarially certificated, not subject to political interference.

Encouraging employers to pay nothing into the scheme risks undermines stability, complicates long-term planning, increases reliance on future investment returns, creates reputational risk (with employers potentially contributing less than members) and could lead to create intergenerational unfairness.

GMB members should be vigilant and take an active interest in their council's pension fund valuation to resist any attempts to lower contribution rates below the certified

actuarial contribution rate. GMB members should also work closely with other Trade Unions to challenge any such local attacks.

The GMB will always fight to defend members pay and conditions and frontline council workers cannot face the brunt of further austerity and cuts to services. The Local Government Pension Scheme is part of your well-earned pay package, and it is more important than ever that union members are united in opposing any further attacks.

## Notes

Reform Pledge to end Public Sector Pension Schemes and new employees on local Councils will be barred from joining LGPS - Reform pledges to end gold-plated public sector pensions (3rd February 2026)

The council pension gravy train is nothing short of a scandal (1st September 2025)

Pensions UK responds to Reform UK Local Government Pension Scheme claims | PLSA

## Notes on the Local Government Pension Scheme

The LGPS in England and Wales is split into 86 separate funds, which are run by the assigned council, known as the administering authority (AA). The Scheme has a total of 6.7 million members and total assets under management (as of 31 March 2024) of approximately £390 billion.

All employees of local government service have a statutory right to join the LGPS (under regulation 3) and must be automatically enrolled.

The LGPS was reformed from a final salary scheme to a Career Average (CARE) scheme in 2014/15 and employer contribution rates are set every three years by local fund valuations, with all the reports put in the public domain once the valuations are completed. In 2022 the funding level of the scheme was 107% and the average total contribution rates had fallen to 21.10%, this is lower than other public sector schemes. 2025 is a valuation year and the funding level is expected to stay above 100%.

The LGPS delivers significant value, the typical member is a 47-year-old woman earning c.£18,000 a year, for whom the average pension is c. £5,000 a year. It is also incredibly efficient; it costs around half that of the unfunded public sector Defined Benefit (DB) schemes and lifts many recipients out of scope for means tested benefits. It delivers each £1 of retirement income 50% cheaper than Defined Contribution (DC) schemes.

AAs have a duty to co-operate with strategic authorities to identify and develop appropriate investment opportunities to relation to local investments for the benefit of persons living or working in the scheme's area

In summary, the LGPS is one of the world's most successful pension schemes delivering pension payments to millions of workers across the country. It has consistently demonstrated financial resilience

and operational stability. It provides pensions on behalf of 15,000 employers and close to 7 million workers in Local Government.

It is an open, democratically run, accountable, value for money pension scheme that provides valuable benefits to some of the UK's lowest paid workers - women in particular – and invests monies in its local communities. Without it a lot more people would be worse off than they already are.

Like all significant UK pension schemes, the LGPS takes responsible investment seriously and integrates climate considerations into overall risk management. It has a strong record of investing in local areas and the highest proportion of investments in domestic assets in the UK pension sector.