City of London Corporation Committee Report

Committee(s): Pensions Committee Local Government Pensions Board	**Dated:** 07 July 2025 21 July 2025
Subject: Access and Fairness Consultation	**Public report:** For Discussion
This proposal: • **provides statutory duties** • **provides business enabling functions**	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	No
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

On 15 May 2025 the Ministry for Housing, Communities and Levelling Up (MHCLG) issued a consultation on the Local Government Pension Scheme (LGPS) entitled '*Local Government Pension Scheme in England and Wales: Access and fairness'*. The Consultation is seeking views on proposals intended to improve fairness in, and access to, the LGPS. The consultation also includes questions on the potential impact on administration and the Government's duty under the Public Sector Equality Duty. The consultation is open for 12 weeks from 14 May to 7 August 2025. Officers are currently reviewing the Consultation.

Alongside the consultation, MHCLG have published a draft statutory instrument, the *'Local Government Pension Scheme (Miscellaneous Amendments) Regulations 2025'*.

The Government believes that through the outcomes of this Consultation they will fundamentally improve fairness in, and access to, the LGPS. They will be addressing "key issues that have been neglected for too long and treating them with the urgency they deserve." The consultation focuses on equality, fairness, integrity, efficiency, accuracy and rewarding hard work reflecting the Government's commitment to making work pay and improving workers' rights.

Some of these changes are definitive answers to long-standing problems, for example ensuring equality of survivor benefit entitlement, whereas some are new introductions such as the proposals on the gender pension gap. The Government believes these

are all key and essential steps in the right direction. The proposals position the LGPS as leading the way across the public sector pensions landscape.

The consultation is seeking views on proposals which include:

- addressing survivor pensions and deaths grants
- addressing the Gender Pension Gap in the LGPS
- collecting data on how many members opt out of the scheme and why
- changes to forfeiture, aiming to tackle long-standing issues with forfeiture in the LGPS
- several technical changes to how the McCloud remedy operates
- a number of other miscellaneous changes, including changes to five-year refunds, pre-2014 Additional Voluntary Contributions and small pot payments.

There are a total of 52 questions and these are set out in Appendix A, the full consultation document can be found here.

Recommendation:

Members are asked to note the report.

Appendix

Appendix A – Consultation Questions: Local Government Pension Scheme in England and Wales: Access and Fairness

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APPENDIX

Consultation Questions: Local Government Pension Scheme in England and Wales: Access and Fairness

Chapter 1: Survivor Benefits

No	Question
1	Do you agree with the government's proposed amendment of survivor benefits rules?
2	Do you have any comments on the intended approach to equalising survivor benefits?
3	Do you have any comments on the administrative impact, particularly in identifying cases where calculations of past benefits would need to be revisited?
4	Do you have any further comments on the proposed changes?
5	Do you agree with the government's proposals to formalise the removal of the nomination requirement?
6	Do you have any comments on the government's proposals to formalise the removal of the nomination requirement?
7	Do you have any comments on the proposed approach to backdating?
8	Do you agree with the proposed amendments to death grants?
9	Do you have any comments on the government's proposals to remove the age 75 cut-off from the LGPS Regulations?
10	Do you have any comments on the proposed approach to backdating?
11	Do you have any comments on the administrative impact, particularly in identifying historic cases where death grants that were not paid would now be paid?
12	Do you agree with the proposal to remove the two-year limit?
13	Do you have any comments on the government's proposal to remove the two-year limit?

Chapter 2: Gender pension gap

Qu	Question
14	Do you agree that the LGPS Regulations should be updated so that any unpaid leave under 31 days is pensionable, as a way to address the gender pension gap?
15	Do you agree the government should use the actual lost pay option when calculating contributions, or do you think APP should be the chosen option? Please explain the reasons for your view.
16	Do you agree with the proposal to align the cost of buying back unpaid leave over 30 days with standard member contribution rates?
17	Do you agree with the proposal to change the time-limit for buying back unpaid leave pension absences from 30 days to 1 year?
18	Do you agree with removing the three-year limit on employer contributions in Regulation 15(6)?
19	Do you agree with updating the definition of child-related leave to include all periods of additional maternity, adoption and shared parental leave without pay?
20	Do you agree that gender pension gap reporting should be mandatory in the LGPS?
21	Do you agree that the 2025 valuation (and associated fund annual reports) is preferable?

22	Do you agree with the threshold of 100 employees for defining which employers must report on their gender pension gap?
23	Do you agree with the gender pension gap definition being ‘the percentage difference in the pension income for men and women over a typical working life’?
24	Do you agree with the gender pension savings gap being ‘the percentage difference in the pension savings accrued over one year for men and women’

Chapter 3: Opt-outs

Qu	Question
25	Do you agree that the annual report is the best method of reporting data on those who choose to opt-out of the scheme?
26	Do you foresee any issues with administering authorities’ ability to gather data on opt-outs?
27	When updating the annual report guidance to reflect opt-out data collection, what information would be most useful to include?
28	Do you agree with the proposal to collect additional data about those opting out of the scheme?
29	Are you an employer, part of an administering authority or member of a pensions board?
30	Do you have any comments on the collection of additional information?

Chapter 4: Forfeiture

Qu	Question
31	Do you agree that the government should amend regulations 91 and 93 of the 2013 Regulations to remove the requirement that the member must have left employment because of the offence in order for an LGPS employer to be able to make an application for a forfeiture certificate or to recover against a monetary obligation?
32	Do you agree that the three month time limit for an LGPS employer to make an application for a forfeiture certificate should be removed?
33	Do you agree that Regulation 92 of the 2013 Regulations should be revoked?
34	Do you agree that in order to give full effect to the proposed amendments, equivalent modifications should apply to earlier schemes?
35	Do you agree that there should be forfeiture guidance to assist employers in making applications?

Chapter 5: McCloud remedy

Qu	Question
36	Do you agree with the government’s proposal for pension debits and credits?
37	Do you agree with the government’s proposal to cover deaths on 30 September 2023?
38	Do you agree with the government’s proposal to clarify if interest applies on Club transfers?
39	Do you agree with the government’s proposal to include part 4 tax losses in the 2023 regulations?
40	Do you agree with the government’s proposal for transfers from other public service schemes for members over 65 years old?

APPENDIX

Chapter 6: Other regulation changes

Qu	Question
41	Do you agree with the proposal to omit Regulation 50 and the equivalents to it (to the extent that they have been preserved) in the 1997 and 2008 Regulations?
42	Do you agree with the proposal to omit Regulation 50 and the equivalents to it (to the extent that they have been preserved) in the 1997 and 2008 Regulations?
43	Do you agree with the proposal to amend the definition of Benefit Crystallisation Events in the 2013 Regulations?
44	Do you agree with the proposed approach to Pension Commencement Excess Lump Sums?
45	Do you agree with the proposed approach to issue updated actuarial guidance on the treatment of PCELSs?
46	Do you agree with the proposed amendments to the Regulations?
47	Do you have any comments on the proposals in this chapter?

Chapter 7: Administrative impact of proposals

Qu	Question
48	Do you have any comments about the impact the combined proposals in this document will have on administration?
49	Are there any areas where you believe the proposals are significantly more complex and would benefit from a later implementation date?
50	Do you have any comments on the proposed approach to cost?

Chapter 8: Public Sector Equality Duty

Qu	Question
51	Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.
52	Do you agree to being contacted regarding your response if further engagement is needed?