



LGPC update for National LGPS Technical Group

10 December 2020

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Coronavirus (COVID-19)

COVID-19 death data collection

At its meeting of 12 June 2020, the National LGPS Technical Group agreed to assist the England and Wales SAB to understand the impact of COVID-19 on the LGPS by collecting death data. You can read the [minutes of the June National LGPS Technical Group meeting](#) on www.lgpsregs.org.

Going forward, the chair of each pensions officer group will request the data from administering authorities in their region quarterly instead of monthly. The data for September, October and November is due by 11 December 2020.

COVID-19 Job Retention Scheme extended

On 5 November 2020, the Government announced an [extension to the Coronavirus Job Retention Scheme](#) (CJRS) until the end of March 2021. Furloughed employees will receive 80 per cent of their current salary for hours not worked, up to a maximum of £2,500 per month. Employers will be asked to cover National Insurance and employer pension contributions for hours not worked. You can read more about the extension of the CJRS and other Government policy announcements related to COVID-19 in the [Economic support factsheet](#).

COVID-19 FAQs updated

We have updated the [COVID-19 FAQs for employers](#) and the [COVID-19 FAQs for administrators](#), to cover:

- the extension of the CJRS
- the service provided by the Pensions Ombudsman
- Scottish and Welsh life assurance schemes
- flexibilities when dealing with an exiting employer in England and Wales
- HMRC relaxation in reporting rules

LGPS England & Wales Scheme Advisory Board (SAB)

Pension fund annual reports 2020

Regulation 57 of the LGPS Regulations 2013 requires administering authorities to publish their pension fund annual report, in relation to the Scheme year ending on the 31 March, on or before the following 1 December.

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 extend the publication for local authority accounts (England and Wales) to 30 November 2020. At present there are no plans for an automatic extension of the publication date for the annual report and accounts. MHCLG have requested that administering

authorities inform the LGA (query.lgps@local.gov.uk) of any 'knock on' issues arising from the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, to enable them to keep the matter under consideration. The LGPS regulations require the annual report and accounts to be published by 1 December 2020.

The view of the Scottish Government is that 'the provisions made in the Coronavirus (Scotland) Act 2020 are sufficient to allow each authority to determine its own timetable for Annual Accounts'. Scottish Ministers consider that:

‘it seems reasonable that a local authority publishes its Annual Accounts no later than 30 November 2020’

Please email a copy of your annual report (or hyperlink) to liam.robson@local.gov.uk when it is available. These reports will be uploaded to the [Fund Annual Report page](#) on the [Scheme Advisory Board's website](#).

Public sector exit payments cap

The Public sector exit payments page of www.lgpsboard.org is regularly updated.

The latest developments are summarised below.

14 October 2020: Legislation signed

[The Restriction of Public Sector Exit Payments Regulations 2020](#) [SI2020/1122] ('the exit cap regulations') were signed on 14 October 2020, a [correction slip](#) was published on 27 October 2020 and the regulations came into force on 4 November 2020.

There is a conflict between the exit cap regulations and the LGPS regulations when a scheme member aged 55 or over is made redundant (this includes business efficiency dismissals and where an employer waives an actuarial reduction under regulation 30(8)) and the total exit payment exceeds £95,000. The LGPS regulations require the member to take payment of an unreduced pension, but the exit cap regulations prevent the employer from paying the full strain cost.

In respect of exits that occur from 4 November 2020 and the date the LGPS regulations are amended:

- only exits from employers in scope of the cap will be affected. You can find a full list of employers in scope of the cap in the [Schedule to the Restriction of Public Sector Exit Payment Regulations 2020](#)
- only exits where the cost exceeds £95,000 will be affected

- the proposed standard strain cost calculation will not apply - local methods of calculating strain costs should continue
- proposals in the MHCLG consultation to limit discretionary compensation payments and reduce strain cost by the value of statutory redundancy pay will not apply

28 October 2020: Letter from MHCLG

Luke Hall MP wrote to Chief Executives of Councils and LGPS administering authorities concerning the implementation of the exit payment cap. You can read [Luke Hall's letter to councils](#) on the SAB website www.lgpsboard.org. The Minister's recommended course of action in cases where the cost of an exit including pension strain cost would exceed the £95,000 cap is that:

“LGPS members in that position should be able to elect to receive an immediate but fully reduced pension or, if they do not so elect, a deferred pension plus a lump sum equal to the capped strain cost.”

29 October 2020: HMT publishes Directions, Guidance and Equalities impact assessment

HMT published additional documents to support the implementation of the exit payment cap. You can find links to these documents on the Gov.uk [Restriction of Public Sector Exit Payments](#) page. The Guidance and Directions set out the obligations on individuals and employers and the waiver process for exit payments over £95,000.

30 October 2020: SAB publishes commentary on legal advice

SAB obtained legal advice on the conflict between the LGPS regulations and the exit cap regulations. A commentary of that legal advice was published on the [Public Sector Exit Payments](#) page of www.lgpsboard.org. Administering authorities and LGPS employers should take their own view and may wish to seek their own legal advice.

The commentary sets out the SAB's opinion on the course of action that presents the lowest risk when the cap is breached in respect of an LGPS member aged 55 or over. In SAB's view, the risks are lowest if the LGPS:

- administering authority offers the member a choice between deferred benefits or a fully reduced pension
- capped employer delays payment of a cash alternative under regulation 8 of [The Restriction of Public Sector Exit Payments Regulations 2020](#)

This approach allows the maximum flexibility for the administering authority and the capped employer to minimise the financial risks associated with a legal challenge from the scheme member.

4 November 2020: Information note for employers published

The LGPC published an [information note for employers](#) on the exit payment cap that is available on the [Employer guides and documents](#) page of www.lgpsregs.org. The note sets out a process for employers to follow from 4 November 2020 when a scheme member aged 55 or over leaves due to redundancy or business efficiency.

9 November 2020: Information note for administering authorities published

The LGPC published an [information note for administering authorities](#) on the exit payment cap that is available on the [Administrator guides and documents](#) page of www.lgpsregs.org. The note sets out, in respect of redundancy and business efficiency exits of members aged 55 or over that occur from 4 November 2020, the following:

- policy considerations for administering authorities, and
- a process to follow

24 November 2020: Member FAQs published

We published [member FAQs on the public sector exit payments cap](#). You can link to them from the latest news page on www.lgpsmember.org.

Other resources

The [Reform of Local Government Exit Payments](#) webpage is maintained by the LGA Workforce team. The page is regularly reviewed to provide up to date information for local government employers and includes:

- links to consultations and responses, regulations, draft regulations and guidance
- a summary of the HM Treasury Directions and Guidance that accompany the exit payment cap regulations
- a position statement on the exit payment cap for employers

The House of Commons Library has published a [briefing paper: Public Sector Exit Payment Cap](#). The paper is designed to assist MPs in their work and provides an overview of the exit cap provisions and a summary of the reaction to them. The paper was published on 16 October 2020 and updated on 5 November 2020.

SAB responds to consultation on amendments to the underpin

SAB responded to the MHCLG consultation on changes to the statutory underpin. You can read the response on the [Scheme consultations](#) page of www.lgpsregs.org.

Summary note of Board meeting held on 2 November 2020

SAB met virtually on 2 November 2020, full details of the meeting and agenda papers can be found on www.lgpsboard.org.

LGPS England & Wales

Discretionary policies list updated

The Secretariat published version 1.10 of the Technical guide – list of discretions. We made minor amendments to Section 1 of the guide covering the waiver of actuarial reductions when a member voluntarily takes their benefits before normal pension age. You can find the guide on the [Administrator guides and documents page](#) of www.lgpsregs.org.

MHCLG reforming local government exit pay

On 7 September 2020, MHCLG launched a policy [consultation on reforming local government exit pay](#). The LGA responded to the consultation before it closed on 9 November 2020.

On 14 October 2020, MHCLG published draft regulations to accompany the policy consultation: The Local Government Pension Scheme (Restriction of Exit Payments) (Early Termination of Employment) (Discretionary Compensation and Exit Payments) (England and Wales) Regulations 2020. Their purpose is to amend the LGPS regulations and Discretionary compensation regulations to accommodate the exit payment cap and introduce wider exit payment reforms. Comments on the draft regulations should be sent to LGExitPay@communities.gov.uk by 18 December 2020. SAB will share its comments on the draft regulations in advance of this deadline.

On 19 October 2020, Rachel Abbey emailed you to let you know that the draft strain cost guidance linked to from the [MHCLG Reforming local government exit pay](#) consultation page, was an old version. This has been replaced with the latest version titled 'Benefits for exits subject to exit payment cap – Factors and guidance'.

You can read the LGA response, draft regulations and other consultation documents on the [Scheme consultations](#) page of www.lgpsregs.org.

SF3 data published

On 4 November 2020, MHCLG published [Local government pension scheme statistics](#) (SF3 statistics) for England and Wales: 2019 to 2020. Highlights include:

- total expenditure of £13.4 billion, an increase of 5.6% on 2018/19
- total income of £16.0 billion, an increase of 2.6% on 2018/19
- employer contributions increased by 7.7% on 2018/19 to £7.7 billion
- employee contributions of £2.3 billion
- the market value of LGPS funds in England and Wales on 31 March 2020 was £272.4 billion, a decrease of 5.1%
- there were 6.1 million scheme members on 31 March 2020, 2.0 million active members, 1.8 million pensioners and 2.2 million deferred members
- there were 88,232 retirements in 2019/20, an increase of 5.7% compared with 2018/19

LGPS Scotland

AVCs to provide Additional Pension

In [Bulletin 202](#), we told you that, on 24 September 2020, Kimberly Linge had issued new factors, which should be used with immediate effect when working out AVC purchased additional pension.

On 20 November 2020, Roddy MacLeod emailed administering authorities with updated guidance for the Use of accumulated AVCs to provide additional pension under the Scheme, which incorporates the new factors. The updated guidance does not change the methodology. If you have any queries please raise them with Roddy.MacLeod@gov.scot or Kimberly.linge@gov.scot.

The [guidance can be found on the SPPA website](#) and on the [Actuarial guidance](#) page of www.scotlgpsregs.org.

GAD guidance published

On 29 October 2020, Roddy MacLeod emailed administering authorities to share details of newly published GAD guidance. The implementation date for the new guidance is 29 October 2020, unless a different date is shown below:

- Pension Sharing on Divorce
- Pension Credits pre 2015
- Pension Debits pre 2015
- Pension Debits post 2015
- Additional Pension Guidance pre 2012, implementation date 1 April 2019

The newly issued guidance does not include new factors. The guidance incorporates factors already published by GAD since the SCAPE rate changed in October 2018. The Pension Sharing on Divorce guidance includes a methodology change. GMP adjustments should no longer be applied when calculating a CEV for divorce purposes in respect of a member with a State Pension age after 5 April 2016.

LGPC responds to SPPA consultation

On 22 October 2020, Steven Moseley emailed administering authorities to let them know that the LGPC has submitted a response to the amendments to the statutory underpin consultation.

You can read the consultation documents, draft regulations and the LGPC response on the [Scheme consultations](#) page of www.scotlgpsregs.org.

DWP

Government responds to simpler annual benefit statement consultation

DWP ran a consultation seeking views on simpler annual benefit statements in 2019. See [Bulletin 191](#). DWP published the [Government response to the consultation](#) on 19 October 2020. Although defined benefit and public sector schemes were not in scope, the response acknowledges that there will be opportunity to learn lessons about the potential applicability to them in the future.

The response includes a commitment to a further consultation later this year on mandatory simpler statements for defined contribution schemes that are used for automatic enrolment.

Government plans to encourage use of appropriate pensions guidance

On 28 October 2020, DWP published a policy paper - [Stronger nudge to pensions guidance: statement of policy intent](#). The statement sets out the Government's intention to introduce regulations that require trustees of occupational pension schemes to 'nudge' members to appropriate guidance when they seek to access their pension through the appropriate freedoms. The policy is one of a package of measures designed to help people make informed decisions about accessing their pension savings and avoid scams.

The Government will consult on draft regulations, that will apply in England, Wales and Scotland. It is expected that the Department for Communities will bring in parallel provisions for Northern Ireland.

The policy applies only to defined contributions arrangements. There will be no requirement for LGPS administering authorities to encourage members to seek

guidance before taking their main scheme pension benefits. It is likely that the regulations will affect communications with members who have an in-house AVC.

HMRC

Event reporting

On 9 October 2020, Lorraine Bennett forwarded an email from HMRC to all administering authorities. The email confirms details about the submission of annual and lifetime allowance data for the Event Report. All scheme events for the 2019/20 year other than those set out below must be submitted via Pensions Online.

Annual allowance

HMRC will accept scheme data about pension savings statements for 2019/20 in a password-protected Excel spreadsheet instead of through the Event Report. You must submit the data by 31 January 2021.

Lifetime Allowance

The Event Report has not been amended to include lifetime allowance protections that members applied for online. You can submit these details to HMRC on a password-protected spreadsheet. Please send the data to pensions.businessdelivery@hmrc.gov.uk, and include 'Lifetime allowance – Event Reporting' as the subject line of the email.

Pension schemes newsletter 124

We let you know in [Bulletin 202](#) that HMRC [Pension schemes newsletter 124](#) was published on 29 September 2020. The newsletter was updated on 6 October 2020 to confirm that the protected pension age easement will not be extended and expired on 1 November 2020.

HMRC also confirmed that the easement relating to submitting Accounting for tax (AFT) returns, covers AFT returns for 1 October to 31 December 2020 and for 1 January to 31 March 2021.

Pension schemes newsletter 125

On 30 October 2020, HMRC published [pension schemes newsletter 125](#). The newsletter includes articles about:

- the protected pension age easement ending on 1 November 2020
- enhancements to the financial information relating to AFT returns that is available on the Managing Pension Schemes service

- an update on the programme to delete user IDs and passwords for users who have not accessed an online tax service in the last three years - users are encouraged to log in to avoid their credentials being deleted
-

HMT

LGA responds to HMT McCloud consultation

The LGA responded to the [HMT Public service pension schemes consultation: changes to the transitional arrangements to the 2015 schemes](#). The response deals with the impact of the proposals on the Firefighters' Pension Schemes and the Teachers' Pension Scheme. You can read the full response on:

- the [Non-scheme consultations](#) page of www.lgpsregs.org and
- the [Non-scheme consultations](#) page of www.scotlgpsregs.org

LGA responds to call for evidence on pension tax relief

HMT published [Pensions tax relief administration: call for evidence](#) in July 2020. The LGA and LGPC submitted a joint response on 13 October 2020. You can read the full response on the:

- [Non-scheme consultations page](#) of www.lgpsregs.org and
- [Non-scheme consultations page](#) of www.scotlgpsregs.org

Public service pensions GMP indexation consultation

On 7 October 2020, HM Treasury (HMT) published [Public Service Pensions: Guaranteed Minimum Pension Indexation consultation](#).

Prior to 6 April 2016, the payment of public service pensions and the earnings-related State Additional Pension (AP) worked together to provide a mechanism that fully indexed most public service pensions. The introduction of the new State Pension on 6 April 2016 removed the payment of AP. This meant that members who reached State Pension age (SPa) on and after that date would not have their pension payments fully indexed. To compensate for the removal of AP, the Government introduced an interim solution on 1 March 2016, which ends on 5 April 2021. This ensured that public service pensioners who reach SPa after 5 April 2016 continued to receive a fully indexed pension from their public service pension scheme.

The consultation sets out how the Government proposes to ensure it continues to meet its commitments to the full indexation of public service pensions, including any Guaranteed Minimum Pension (GMP) element. You can read the consultation document and Written Ministerial Statement on:

- the [Non-scheme consultations](#) page of www.lgpsregs.org and
- the [Non-scheme consultations](#) page of www.scotlgpsregs.org

The 12-week consultation will close on 30 December 2020. The LGA will respond in due course. We will share our response with you in advance of the closing date.

TPO

TPO factsheet: complaining on behalf of a deceased's estate

On 19 October 2020, the Pensions Ombudsman (TPO) published a factsheet for survivors who may want to bring or continue a complaint on behalf of a deceased person's estate. You can find the [Complaining to TPO on behalf of a deceased's estate factsheet](#) on the [TPO website](#).

TPR

Guidance on protecting schemes from employer distress or insolvency

On 12 November 2020 the Pensions Regulator (tPR) published guidance to help administrators of defined benefit (DB) schemes spot the warning signs of employer distress or insolvency.

TPR observes that despite government economic support packages, COVID-19 continues to have a profound impact on the economy, challenging scheme employers and the pensions industry. It is vital you actively monitor your employer's health to look for warning signs and are ready to act as the economic impact of global events develop. You should also be prepared for any issues arising from Brexit.

To find out more visit the [Protecting schemes from sponsoring employer distress](#) page on the [tPR website](#).

Latest news and guidance

The Pensions Regulator (tPR) published its November 2020 Latest news and guidance for pension schemes covering:

- tPR scams pledge
- new guidance for DB trustees
- a climate change roadmap
- tPR user research survey
- tPR latest enforcement activity

To find out more visit [tPR's on-line page](#).

Pledge to combat pension scams

On 10 November 2020, the Pensions Regulator (tPR) launched the pledge to combat pension scams campaign. This is supported by the Pension Scams Industry Group (PSIG), to stop scammers in their tracks.

We urge you to help protect scheme members thinking of transferring their pensions. More than £30 million has been reportedly lost to pension scammers since 2017¹. By making a pledge you show your intent to protect scheme members. You also tell the pensions industry that you are committed to stopping scammers.

To find out more visit the [Pledge to combat pension scams page](#) on [tPR website](#).

Public service governance and administration survey 2019

On 20 November 2020, the Pensions Regulator (tPR) published the outcome of the Public service governance and administration survey 2019.

Results were consistent with the 2018 survey for five of the six key processes, with between 92 and 97 per cent of schemes having these in place. Around two-thirds of administering authorities who responded to the survey had all six processes in place.

The six key processes are:

- conflicts of interest
- knowledge and understanding
- assessing and managing risks
- record monitoring
- contribution monitoring
- breaches of the law

To find our more visit more visit the [Research and analysis page](#) of [tPR website](#).

Other news and updates

Communications Working Group

¹ According to complaints filed with Action Fraud

The Communication Working group (CWG) met virtually on 29 September 2020. The group discussed:

- the impact of COVID-19 on administration teams and LGPS employers
- public sector website accessibility regulations, accessibility statements, the use of pdfs and methods of publishing benefit statements
- digital engagement
- exit payment cap and wider exit payment reform and the communications challenge to keep members and employers informed
- McCloud and the different approaches adopted to collect missing service data

You can read the minutes from the meeting on the:

- [CWG page](#) of www.lgpsregs.org, and
- [CWG page](#) of www.scotlgpsregs.org

CPI rate September 2020

On 21 October 2020, the Office for National Statistics announced the [Consumer Prices Index \(CPI\) rate of inflation for September 2020](#) as 0.5%.

Government policy in recent years has been to base increases under the Pensions (Increase) Act 1971 and revaluation of pension accounts under section 9 of the Public Service Pensions Act 2013, on the rate of CPI in September of the previous year. We await confirmation from Government that the revaluation and pensions increase that will apply to LGPS active pension accounts, deferred pensions and pensions in payment in April 2021 will be 0.5%.

ICO issue new statutory code of practice on DSARs

At the end of October 2020, the Information Commissioner's Office (ICO) issued its new statutory code of practice on data subject access requests (DSARs). It is aimed at data protection officers (DPOs) and those with specific data protection responsibilities in larger organisations. Along with providing additional guidance and clarity, the new code of practice is particularly relevant for administrators dealing with increased data requests from members, independent financial advisors and claims management companies in respect of past transfers.

To find out more visit the [Right of access page](#) on the [ICO website](#).

LGPC

You can read [minutes of the 7 September 2020 LGPC meeting](#) on www.lgpsregs.org. The committee discussed:

- Responsible Investment guidance
- the MHCLG consultation on changes to the statutory underpin
- changes to the rules concerning exit credits
- the exit payment cap and wider exit payment reform

The committee also received updates from the three LGPS schemes and the National LGPS Technical Group. The minutes were confirmed at the meeting held on 2 November 2020.

NI database

In 2019, we made changes to the National Insurance (NI) database to comply with data protection legislation and to extend the use of the database beyond its original purpose of preventing the double payment of death grants. Each administering authority that uses the database signed a Data Sharing Agreement (DSA) setting out the information that they can share with other administering authorities.

We have been made aware that some administering authorities are not sharing member addresses when contacted by another administering authority, who is trying to trace a lost member. The DSA contains an agreement to enable administering authorities to share addresses so that lost members can be traced.

PASA launch cybercrime guidance

On 9 November 2020, the Pensions Administration Standards Association (PASA) launched their new cybercrime guidance for pensions administrators.

The guidance aims to help administrators by outlining four key areas covering different elements of cybercrime:

- legal and regulatory standards
- understanding your organisation's vulnerability to cybercrime
- ensuring resilience
- in case of an attack - remaining able to fulfil critical functions

To find out more visit the [Press release page](#) on the [PASA website](#).

Pensions Dashboards

On 28 October 2020, the Money and Pensions Service (MaPS) published their second [Pensions Dashboards Programme progress update report](#). The report includes updates on:

- the Pension Dashboards Programme's (PDP) high level activity plan
- resourcing to deliver next phases of the programme

- market engagement to help finalise digital architecture requirements
- refining requirements for identity verification
- setting up a working group to ensure consumer focus
- reviewing feedback

The timetable in the report reveals that the PDP expects the dashboard to be available to retirement savers for the first time in 2023.

As we reported in [Bulletin 200](#), the PDP ran a call for input on data standards that closed on 31 August 2020. The PDP received 61 responses to the call for input. They have made a [summary of the responses](#) available online.

PMI launch new competency framework

On 11 November 2020, the Pensions Management Institute (PMI) launched a new competency framework. This sets out the pensions management functional and technical competences needed to be effective in the pensions industry at all career levels. The framework provides a method to assess, maintain, and monitor the knowledge, skills, and attributes of people within the sector. Employers and administering authorities will be able to use the framework to identify their strengths and areas for development and help them choose which qualifications and learning interventions would best help them.

To find out more visit the [Competency framework page](#) on the [PMI website](#).

Training

Webinars on exit payment reforms

On 6 November 2020, the LGA pensions and workforce teams jointly hosted a second webinar (first webinar held on 23 September 2020) for local authorities on the exit payment cap and wider exit payment reforms.

Recordings of both webinars, including captions, transcripts and slides can be found on the [past events page](#) of the [LGA website](#).

Wider Landscape

DB schemes must equalise past GMP transfers

On 20 November 2020, the High Court ruled that trustees who do not equalise a member's guaranteed minimum pension (GMP) benefits at the time of calculating the cash equivalent transfer value (CETV), have committed a breach of duty. Defined benefit (DB) schemes providing GMPs should revisit historic CETVs made in the

past 30 years and top them up where necessary. The judgement does not force organisations to actively correct all pensions transfers, however, employers may look to do so to avoid legal proceedings from members affected.

This [latest judgment](#), comes after the initial judgement was made in October 2018 (see [bulletin 177](#)) involving Lloyds banking group.

DfC NI consultation on amendments to the statutory underpin

On 11 November 2020, the Department for Communities (DfC) in Northern Ireland (NI) [published a consultation on amendments to the statutory underpin](#). The consultation seeks views on proposed changes to the LGPS in NI to remove the unlawful age discrimination identified in the McCloud judgment. The consultation closes on 31 January 2021.

Government rules out review of pensions tax relief

The Government has ruled out the Public Accounts Committee's recommendation that HMRC should investigate the impact of pensions tax relief. The Government's position was confirmed in [Treasury Minutes – September 2020](#). The minutes confirm that the Government will continue to engage with stakeholders and gather views and evidence on the impact of pensions tax relief but will not undertake a formal evaluation.

Independent Schools and the TPS consultation

In [Bulletin 189](#) we reported that on 9 September 2019, the Department for Education (DfE) opened a consultation to gather views on a proposal to change the Teachers' Pension Scheme (England and Wales) (TPS) rules, to allow independent schools to opt out more flexibly. Under the current scheme rules, an independent school electing to opt out of the TPS results in all members being deferred. The proposal would allow independent schools to continue to offer TPS membership to existing staff, but not to new teachers ('phased withdrawal'). The LGA [responded to this consultation](#) on 1 November 2019.

On 11 November 2020, [the Government published a response](#) concluding that it intends to proceed with the change to allow phased withdrawal. This will result in current teachers being able to continue participation in the TPS if their independent school employer decides to freeze participation in the TPS, with new teachers being enrolled into an alternative pension scheme.

To support this, the Government will produce draft regulations for consultation. It is intended that regulations will come into force in the spring of 2021, and independent schools will be able to request phased withdrawal from then.

RPI consultation response

On 11 March 2020, the Government and the UK Statistics Authority (UKSA) launched a consultation on UKSA's proposal to address the shortcomings of the Retail Prices Index (RPI) measure of inflation. On 25 November 2020, the Government published its response.

The response indicates that RPI will be reformed to align with the Consumer Prices Index, including housing costs. The reform will take place no earlier than February 2030. The Government acknowledges that the reforms could have an impact on defined benefit schemes but confirm that the later effective date of the changes help mitigate this.

Members who made an election to purchase additional pension (LGPS England & Wales and Scotland) before 1 April 2012, receive annual increases on the additional pension purchased, based on RPI. Revaluation of these benefits will be impacted if the reforms to RPI take place.

To find out more visit the [Consultation page](#) on www.gov.uk.

No plan to reduce £30k threshold for transfer advice

On 1 October 2020, Guy Opperman, Minister for Pensions and Financial Inclusion, [responded to a question concerning the financial advice requirement](#). He confirmed that the Government currently has no plan to change the £30,000 threshold at which individuals are required to take financial advice when transferring a defined benefit pension. The Government must review this requirement and publish its findings before 6 April 2023.

Social Security Benefit and Pension Up-rating 2021/22

On the 25 November 2020, the Government outlined in a [Written Ministerial Statement](#), the proposed benefit and state pension rates that will apply in the tax year 2021 to 2022, coming into effect on 12 April 2021. Dr Coffey (the Secretary of State for Work and Pensions) stated:

“State pensions will be increased by 2.5%, in line with the Government’s manifesto commitment. The full rate of the new state pension will now be worth £179.60 per week.”

Teachers’ Pension Scheme Grant

[Bulletins 191 and 194](#) contain articles about the Teachers’ Pension Scheme (TPS) employer contribution grant. The Government have updated their [TPS guidance](#) on the employer contribution grant covering the grant for the financial years 2020 to 2021.

Universal catch up premium & national tutoring programme

Working with colleagues from the Department of Education (DoE) the LGA produced [a fact sheet](#) on the Universal catchup premium and national tutoring programme. Academic Mentors (AM), employed by local authorities are eligible to join the LGPS and this programme will apply to them.

The fact sheet provides brief descriptions on the different 'catch up' funding programmes available and sharing guidance, to support schools wishing to employ AM's for the 2020/21 academic year.