



Department for Levelling Up,  
Housing & Communities

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Dear Pension Manager,

### **Local Government Pension Scheme: Revised Actuarial Factors**

1. Regulation 2(3) of the Local Government Pension Scheme Regulations 2013 provides that the Secretary of State may, after consultation with the Government Actuary's Department, issue actuarial factors and guidance to administering authorities.
2. On 30 March 2023, HM Treasury responded to the consultation on SCAPE discount rate methodology which confirmed the use of the previous methodology (based upon long term expected GDP growth). In addition, the SCAPE discount rate was adjusted to take into account long term GDP growth figures, making the new SCAPE rate CPI + 1.7% (previously CPI + 2.4%).
3. The new rate is effective from 30 March and means that some calculations have been suspended until all factors have been updated. Guidance on the calculations which have been suspended and those which should continue is at <https://lgpslibrary.org/assets/bulletins/2023/236EWSCAPE.pdf>.
4. We are now issuing the first batch of updated factors, in effect from 1 June 2023, as set out below, following consultation with the Government Actuary's Department:
  - a. Cash equivalent transfer values (CETVs)
  - b. Pension cash equivalents
  - c. Pension credits
  - d. Pension debits (ill health)
5. Over the coming months, we expect to issue updated factors for the remaining calculations. These will also be communicated via the LGA and made available on their website.

Yours faithfully,

Teresa Clay

Head of Local Government Pensions, Local Government Finance, DLUHC