Ministry of Housing,
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Dear Pension Manager,

7 September 2026

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 19 May 2026, the Minister for Pensions (Torsten Bell MP) made a written ministerial statement confirming that the SCAPE discount rate has been adjusted to take into account the long-term GDP growth figures published by the OBR in July 2025. Based on these figures, the new SCAPE discount rate is CPI plus 2%. This is a change from CPI plus 1.7%.

3. The new rate is effective from 19 May 2026 and because of the new rate, the Government Actuary Department were required to review and update all LGPS actuarial factors. Guidance on when to use the updated factors can be found here.

4. We are now able to issue the final batch of updated factors, as set out below (with the relevant in effect dates), following consultation with the Government Actuary's Department:

    a. Scheme pays Annual Allowance – In effect: 8 September 2026

    b. Additional survivor benefits - In effect: 8 September 2026

5. This is the final batch of factors to be implemented under the current review. GAD guidance notes will be updated in due course with examples to reflect the factors which have been updated throughout the course of 2026.

Yours faithfully,

Will King
Joint Head of Pensions