



Department for Levelling Up,
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Dear Pension Manager,

Local Government Pension Scheme: Fourth Batch of 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 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 were suspended. Guidance on processing the calculations that were suspended and when to use the new factors is at:
<https://lgpslibrary.org/assets/bulletins/2023/236EWSCAPE.pdf>
4. We are now able to release 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. **Club factors** (In effect: **1 October 2023**)
 - b. **Additional Pension** (In effect: **2 October 2023**)
 - c. **Converting AVCs to transfer credits** (In effect: **2 October 2023**)
 - d. **Using AVCs to buy added pension** (In effect: **2 October 2023**)
 - e. **Additional survivor benefits** (In effect: **2 October 2023**)
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 2023.

Yours faithfully,

Teresa Clay

LGPS Pensions Team Lead, Local Government Finance, DLUHC