

## LGPC Bulletin 276

# LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026

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## Introduction

This bulletin provides commentary for administering authorities in England and Wales on the changes introduced by the [LGPS \(Miscellaneous Amendments\) \(Member Benefits\) Regulations 2026](#). The regulations implement the first phase of the Access and Fairness proposals.

For each change, we set out the relevant regulations, a description of what is changing and the impact of that change. We have used shortened titles for the different sets of regulations – see the [legislation abbreviations section](#) for an explanation.

You can view the background to the policy changes in the [consultation documents](#).

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## Disclosure requirements

The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 require that members, beneficiaries and recognised trade unions are informed of any material change to basic scheme information, where the change is relevant to them.

In our view, the following changes constitute material changes:

- equalisation of survivor benefits
- removal of the age 75 cap for the paying a death grant
- changes relating to the gender pensions gap.

Information about these changes must be given as soon as possible, and no later than 30 June 2026.

The national Communications Working Group is currently working on template disclosure wording. We will provide an update on this work later this month.

If you plan to make information about the changes available on your website, you must notify members and beneficiaries that the information is available and provide them with the website address. You must also inform any members or beneficiaries who have opted out of electronic communication by sending the information by post.

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## LGA resources

We have updated:

- the [timeline regulations](http://www.lgpsregs.org) on [www.lgpsregs.org](http://www.lgpsregs.org)
- the wording on the lost pension calculator and terms and conditions document on [www.lgpsmember.org](http://www.lgpsmember.org).

We are in the process of updating the rest of the member website. We will update the technical guides that are impacted by the changes in due course, including the additional pension contributions and the Abolition of the LTA guides. We will update the brief scheme guide in May.

We are also developing a calculator to help employers determine the member and employer costs of buying lost pension under a Qualifying Additional Pension Arrangement (QAPA). Will provide further information about this in the next few weeks.

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## Statutory guidance

### Survivor benefits guidance

MHCLG issued [statutory survivor benefits guidance](#) on 1 April 2026. The guidance is to assist administering authorities implement the updated survivor benefit rules including the equalisation of survivor benefits and the changes to death grants.

The guidance sets out that administering authorities must make every reasonable attempt to identify, calculate the entitlement of, and make payment of any backdated amounts due. It also sets out minimum reasonable processes and timescales to be followed.

### Actuarial guidance

**The Limit on Additional Cash Commutation guidance** has been updated to reflect the abolition of the lifetime allowance (LTA) and the long term policy for the payment of a pension commencement excess lump sum (PCELS).

**The Limit on total amount of benefits – Lifetime allowance guidance** has been withdrawn.

**The Annual Allowance charges: Calculation of scheme pays offset guidance** has been updated to remove the references to the withdrawn LTA guidance. The factors previously used to calculate a LTA debit (Tables 0-609 and 0-610 in the [consolidated factor workbook](#)) are still used to calculate certain Annual Allowance debits. These factors are used if an active member had reached Normal Pension Age on the relevant date or if the debit is being calculated when the member's retirement figures are already being processed.

You can view the guidance notes on the [actuarial guidance page](#) of [www.lqpsregs.org](http://www.lqpsregs.org).

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## Survivor benefits

### Equalisation for final salary benefits

#### Description of change

Survivors of all types of [pre-leaving relationships](#) will now have their benefits calculated using the same membership, as will survivors of [post-leaving relationships](#). Changes have also been made to the benefits for survivors of cohabiting partners.

We have withdrawn the [Survivor benefit technical guide](#) and its content is replaced by the information in this section.

## Effective date of change

The changes are effective from 1 April 2014 and apply to all deaths from 1 April 2026.

They also have backdated effect and apply to survivors of:

- **opposite-sex marriages and same-sex civil partnerships:** deaths between 5 December 2005 and 31 March 2026
- **same-sex marriages:** deaths between 13 March 2014 and 31 March 2026
- **opposite-sex civil partnerships:** deaths between 31 December 2019 and 31 March 2026
- **cohabiting partners:** deaths between 1 April 2008 and 31 March 2026.

## Impact of change

### Deaths from 1 April 2026 – survivor benefit rules

For all deaths occurring on or after **1 April 2026**:

#### Survivors of pre-leaving relationships – general rules

Subject to the exceptions below, a survivor of a pre-leaving relationship is the spouse or civil partner of a deceased member whose marriage or civil partnership took place **before** the member left active membership.

Benefits are calculated using the deceased member's [total membership](#).

#### Survivors of post-leaving relationships – general rules

Subject to the exceptions below, a survivor of a post-leaving relationship is the spouse or civil partner of a deceased member whose marriage or civil partnership took place **after** the member left active membership. Benefits are calculated using:

- the deceased member's [membership after 5 April 1978](#), plus
- any additional membership they were entitled to under:
  - [regulation F8\(3\) of the 1995 Regulations](#) (where the member left active membership before 1 April 1998), or
  - [regulation 42\(4\) of the 1997 Regulations](#) (where the member left active membership after 31 March 1998), known as relevant additional membership (RAM).

#### Exceptions to the general rules

In some cases, there are exceptions to the general rules.

[Total membership](#) is used to calculate survivor benefits of a **post-leaving relationship** in all the following scenarios:

- an opposite-sex marriage or opposite-sex civil partnership, that was formed **after** the member left active membership, if the couple had already been in an **opposite sex marriage before** the member left active membership, and the deceased member was active **after 31 March 1972** and left active membership **before 1 April 1998**
- a same sex civil partnership or same sex marriage, where the deceased member left active membership between 1 April 2008 and 31 March 2014 and died within that period
- a same sex civil partnership where the deceased member left active membership between 1 April 2008 and 31 March 2014, died after that period, and an election was made under regulation 17(15) of the 2014 Transitional Regulations.

[Total membership](#) is also used to calculate the benefits of both **pre and post leaving relationships** for survivors of councillor members.

#### Survivors of cohabiting partners

Survivor benefits are calculated using:

- the deceased member's [membership after 5 April 1988](#), plus
- any [membership defined in RAM](#) the deceased member may have been entitled to, plus
- any pre-6 April 1988 membership bought by the deceased member to count towards their partner's pension

#### Short and long-term pensions for pensioner members

Where the deceased member left active membership before 1 April 2008, a short-term pension may be payable after which the long-term pension is paid. The regulations say, subject to certain deductions and additions, that the:

- short-term pension is equal to the annual rate of the deceased retirement pension immediately before death, and
- long-term pension is equal to half the annual rate of the deceased retirement pension immediately before death.

When calculating the value of the 'retirement pension immediately before death' this should be calculated using:

- [total membership](#) for the survivor of a [pre-leaving relationship](#) or a case covered by an [exception to the general rules](#)
- [membership after 5 April 1978](#) plus the [membership defined in F8\(3\)](#) or [RAM](#) for the survivor of a [post-leaving relationship](#).

## No double counting of membership

Sometimes it may be unclear under which regulation membership is counted. For example, [membership after 5 April 1978](#), or membership defined in [regulation F8\(3\)](#) or [RAM](#). It might appear membership falls into two of these categories.

In **all situations** membership should only be counted **once** and never double counted.

## Definitions

### Total membership

Total membership is generally any:

- period for which the deceased member has paid, or is treated as having paid contributions
- additional membership awarded by the deceased member's former employer
- additional membership bought by the deceased member – such as added years, membership bought to cover a period whereby the member was an employee but not a pensionable employee due to restrictions in the regulations such as part-time buy back and non-pensionable manual service
- ill health enhancement (IHE) awarded to the deceased member when their benefits were paid early due to ill health or notional IHE where the member died in service
- credited membership following the acceptance of a transfer into the LGPS from another registered pension scheme.

### Membership after 5 April 1978

Membership after 5 April 1978 (5 April 1988 for survivors of cohabitants) is generally any:

- period after that date for which the deceased member has paid, or is treated as having paid contributions, plus
- ill health enhancement (IHE) awarded to the deceased member when their benefits were paid early due to ill health under 2007 Benefit Regulations. We are now of the view that this membership should always have sat under membership after 5 April 1978 (as was 5 April 1988) because RAM only included IHE awarded under the 1997 Regulations.

### Membership defined in regulation F8(3) of the 1995 Regulations

The definition of regulation F8(3) has changed. Regulations F8(3) now defines which membership should be treated as membership **after 5 April 1978** instead of 'after 5 April 1988'.

We have listed the membership most commonly included within the definition of regulation F8(3). However, there may be old membership under the 1974

Regulations or the 1986 Regulations not listed in the bullet points, that is included in the definition of regulation F8(3) by way of paragraph 7 of Schedule M4 of the 1995 Regulations. If an administering authority is unsure as to whether a certain type of membership should be included, please contact us at [query.Lgps@local.gov.uk](mailto:query.Lgps@local.gov.uk).

- ill health enhancement awarded to the deceased member when their benefits were paid early due to ill health under the 1995 Regulations or earlier regulations after 5 April 1978
- additional membership awarded to the deceased member by their former employer following a resolution made after 5 April 1978
- membership derived from annual compensation awarded to the deceased member by their former employer under the Discretionary Compensation Regulations, that was converted to scheme membership under the 1995 Regulations after 5 April 1978
- additional membership bought by the deceased member where payment commenced or a lump sum payment was made after 5 April 1978. For example, added years, membership bought to cover a period whereby the member was an employee but not a pensionable employee due to restrictions in the regulations such as part-time buy back and non-pensionable manual service
- any membership in respect of a transfer in which counts as reckonable service, where the transfer value was accepted after 5 April 1978, except where the transfer was a Club transfer which bought pre 6 April 1978 membership. This occurred where the transfer was accepted after 5 April 1988, the administering authority received the transfer application before 6 April 1988, and both the Club sending scheme and the administering authority did not agree that it should count as post 5 April 1988 membership
- membership that was treated as membership after 5 April 1978 that the deceased member was entitled to count before 2 May 1995 under the earlier regulations.

### **Membership defined as RAM under the LGPS Regulations 1997**

The definition of Relevant Additional Membership (RAM) has changed. RAM now defines which membership should be treated as membership **after 5 April 1978** instead of 'after 5 April 1988'. Except when calculating a surviving cohabiting partner's pension, 'after 5 April 1988' should be used instead of 'after 5 April 1978'.

We have listed the membership most commonly included within the definition of RAM. However, there may be old membership under the earlier regulations not listed in the bullet points, that is included in the definition of RAM. If an administering authority is unsure as to whether a certain type of membership should be included, please contact us at [query.Lgps@local.gov.uk](mailto:query.Lgps@local.gov.uk).

- ill health enhancement awarded to the deceased member when their benefits were paid early due to ill health under the 1997 Regulations
- additional membership awarded to the deceased member by their former employer following a resolution made after 5 April 1978
- membership derived from annual compensation awarded to the deceased member by their former employer under the Discretionary Compensation Regulations, that was converted to scheme membership under the 1997 Regulations
- additional membership bought by the deceased member where payment commenced or a lump sum payment was made after 5 April 1978
- pre-6 April 1978 membership bought by the deceased member to count towards the survivor pension of a male survivor of an opposite sex marriage
- credited membership following the acceptance of a transfer into the LGPS from another registered pension scheme after 5 April 1978.

## Deaths before 1 April 2026 – recalculation

### Survivor benefits

Where a member died before 1 April 2026, certain survivor benefits **must** be recalculated.

Previously excluded survivors may now also be eligible to receive survivor benefits. This is because more membership is now included when calculating survivor benefits.

The '[Survivor equalisation recalculation table](#)' identifies which survivor benefits require recalculation. No recalculations are needed for survivors of councillor members. The table has been created by comparing what membership was used to calculate survivor benefits before the enactment of the 2026 Amendment Regulations, see the now withdrawn scheme administrator guide titled '[Calculating survivor benefits](#)', and after. Also, due to the change in definition of the membership defined in [regulation F8\(3\) to the 1995 Regulations](#) and [RAM in regulation 42 to the 1997 Regulations](#) additional cases are brought into the calculation revisions.

Administering authorities should follow the equalisation process set out in [MHCLG's statutory guidance](#).

### Impact of survivor equalisation on the calculation of children's pensions

If survivor equalisation results in a new survivor benefit becoming payable, this may affect the amount of any children's pensions already in payment. These pensions should be recalculated, and the correct amount paid going forward.

[MHCLG's statutory guidance](#) confirms there is no requirement to recover any overpayments.

## Impact of survivor equalisation on the previous payment of a TCLSDB

Where a survivor's pension was previously commuted to a Trivial Commutation Lump Sum Death Benefit (TCLSDB), there is a requirement to recalculate the benefits.

Any additional survivor pension payable should be paid as a 'top up' TCLSDB. The top up TCLSDB will need to meet the conditions set out in paragraph 20 of Schedule 28 of the Finance Act 2004 on the date of payment. See [PTM073700](#) for more information about the conditions for payment of a TCLSDB. Administering authorities do not need to consider the value of the TCLSDB paid previously when assessing the maximum amount that can be paid.

The top up TCLSDB should be calculated using the same calculation date and factors as the TCLSDB paid previously.

Regulation 29(3) of the 2026 Amendment Regulations requires interest to be added to the top up TCLSDB under regulation 81 of the 2013 Regulations. Regulation 81(1) says that interest is added where all or part of a lump sum payment is not paid within one month of the due date. Although regulation 81(3) does not prescribe the due date for paying a TCLSDB, we think it reasonable for the due date to be the calculation date of the TCLSDB paid previously.

Where the survivor was paid a survivor pension before the payment of the TCLSDB paid previously, the survivor will be entitled to arrears of annual pension. Arrears will be due for the period from date of entitlement to the day before the calculation date of the TCLSDB paid previously. It is important that these arrears are paid before the top up TCLSDB is paid. This is because one of the payment conditions for a TCLSDB is that the lump sum extinguishes the dependant's entitlement to benefits under the Scheme in respect of the deceased member.

Regulation 29(3) of the 2026 Amendment Regulations requires interest to be added under regulation 81 of the 2013 Regulations. Interest is payable on the difference between:

- the survivor pension to which the survivor is entitled, and
- any payments which they have previously received in respect of that pension.

There may be tax implications in respect of the TCLSDB paid previously. This is because a TCLSDB can only be paid if specific conditions are met, including that the payment must extinguish the dependant's entitlement to both a survivor's pension and any lump sum death benefit under the scheme in respect of the deceased member. If further survivor benefits become payable retrospectively, this condition would no longer be satisfied.

However, HMRC's guidance in the PTMs listed below states that the reference to extinguishing the member's entitlement to benefits under the scheme is to all the rights that could reasonably have been known about at the time of payment. The PTM for trivial commutation lump sums goes on to say "the lump sum will not cease to be an authorised payment purely because further entitlement is later created that could not have been known about at the time of the initial payment, for example through a pay revision".

Although these PTMs do not directly reference the payment of a TCLSDB, we think it is unlikely a different approach would apply.

- [PTM063500](#) – payment of a trivial commutation lump sum
- [PTM063700](#) – payment of de-minimis lump sum
- [PTM063400](#) – payment of a serious ill health lump sum

HMRC will only comment on 'real' cases and won't provide definitive guidance at this stage. Therefore, should a case arise, we will be happy to contact HMRC on an administering authority's behalf. Please send anonymised details of the case to [query.lgps@local.gov.uk](mailto:query.lgps@local.gov.uk).

### Impact of survivor equalisation on other calculations

We understand it is not necessary to revisit the following calculations that might already have occurred to account for any change in the value of survivor benefits:

- transfer out
- pension debit / credit
- trivial commutation lump sum (TCLS).

### Interest rules for recalculation of survivor benefits

If a member died before 1 April 2026 and, due to equalisation, a survivor benefit is either recalculated and increased or becomes payable for the first time, regulation 29(3) of the 2026 Amendment Regulations requires that interest be added under regulation 81 of the 2013 Regulations. This is regardless of when the deceased member left active membership.

Interest is payable on the difference between:

- the survivor pension to which the survivor is entitled, and
- any payments which they have previously received in respect of that pension.

This applies to all deaths before 1 April 2026, regardless of whether the survivor pension is **first finalised** before or after 31 March 2026.

### Regulations amended

- **amended:** regulations 17(2) and (4) of the 2014 Transitional Regulations

- **deleted:** regulations 17(9) to (16) of the 2014 Transitional Regulations
- **inserted:** regulations 3(5D) and (5E), and 17(16B), 17(16C), (16D), (16E) and (16F) of the 2014 Transitional Regulations
- **inserted:** regulation 3(5F) of the 2014 Transitional Regulations which amends regulations F8(2)(b), (2)(b)(i) and (3), and paragraph 6(4) of Schedule C6, of the 1995 Regulations, regulations 42(2), (3) and (4)(a), and 42A, of the 1997 Regulations, and regulation 4A(2) of the 1997 Transitional Regulations
- **inserted:** regulation 17(16B) of the 2014 Transitional Regulations which amends regulation 6(3) to the 2008 Transitional Regulations

## **2026 Amendment Regulations**

Regulations 1(2)(a) and(d), 29(3), 35(1)(a), 42(1)(a), (b), (g) and (h).

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## **Cohabitees – removal of ‘nominated’**

### **Description of change**

The requirement to nominate a cohabiting partner to qualify for survivor benefits is formally removed from the 2007 Benefit Regulations and from the 2011 Discretionary Payments Regulations.

### **Effective date of change**

The changes to the:

- 2007 Benefit Regulations apply from 1 April 2014 with backdated effect for deaths between 1 April 2008 and 31 March 2014.
- 2011 Discretionary Payments Regulations are effective for deaths from 1 April 2026.

### **Impact of change**

The requirement to nominate a cohabiting partner originally applied to deaths between 1 April 2008 and 31 March 2014. This was subsequently disapplied by the Brewster/Elmes judgments.

MHCLG’s expectation is that administering authorities will have already disapplied the nomination requirement and backdated payment to any eligible cohabiting partners, so there should be no impact.

If an administering authority has not followed recommendations set out in [DCLG’s August 2017 letter](#), it will need to undertake this work now.

Where a person dies because of sustaining an injury or contracting a disease through the course of their employment, an allowance or lump sum may be payable to a survivor. For deaths after 31 March 2026, a survivor now includes a cohabiting

partner as opposed to a nominated cohabiting partner. Administering authorities should make their employers aware of this change.

## Regulations amended

- **amended:** regulations 7(1), (4) and (5) of the 2011 Discretionary Payments Regulations
- **amended:** Schedule 1 of the 2013 Regulations.
- **inserted:** regulation 7(4A) of the 2011 Discretionary Payment Regulations
- **inserted:** regulation 3(5B) of the 2014 Transitional Regulations
- **inserted:** regulation 3(5C) of the 2014 Transitional Regulations which amends regulations 47(2), 58(2)(a), 60(9)(b), 76(4)(b), and 85(2)(b) of the 2008 Administration regulations, and regulation 58(2) of the 2007 Benefit Regulations
- **inserted:** regulations 17(16A)(b) and (c) of the 2014 Transitional Regulations which amends regulations 1(4), 25, 14A(1), (2) and (5), 24(1), 33(1) and 36(1) and inserts new regulation 14A(2A) of the 2007 Benefit Regulations

## 2026 Amendment Regulations

Regulations 1(2)(a) and (d), 2, 32(1)(c), 35(1)(a), 42(1)(h)

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## Death Grants

### Requirement to pay to personal representatives removed

#### Description of change

The requirement to pay a death grant to the personal representatives if it is not paid within the two-year period is removed, except for the AVC cases noted below.

#### Effective date of change

The change applies to all unpaid death grants as of 1 April 2026, except for the AVC cases noted below.

#### Impact of change

For all death grants paid after 31 March 2026, administering authorities have discretion over who to pay it to (though see [AVC comment below](#)), even if the payment is made after the two-year period previously set out in the LGPS Regulations.

Authorities will need to update their processes and communications to reflect this change.

Death grants paid after the two-year period set out in the Finance Act 2004 are taxable. The two-year period set out in the Finance Act 2004 means the period of

two years beginning with the day on which the scheme administrator first knew of the member's death or (if earlier) the day on which they could first reasonably have been expected to have known of it.

The rate of the tax charge depends on who it is paid to. If it is paid to a person in their capacity as a personal representative, the rate will be 45 per cent. If it is paid to a beneficiary, it will be taxed at their marginal rate. See [PTM073010](#) for more information. To avoid unnecessary tax charges, administering authorities should continue to aim to pay all death grants within the two-year Finance Act 2004 period, regardless of these amendments.

### **AVC death grants**

This change does **not** apply to pre-2014 AVC plans held by members who died after leaving active membership. A pre-2014 AVC plan is an AVC plan that started before 1 April 2014, where the member either left active membership of the LGPS before 1 April 2014 or remained in active membership after 1 April 2014, but took payment of their main scheme benefits before 14 May 2018. See our [AVC technical guide for administration](#), for more information about the different types of AVC plans.

This means where a member holds a pre-2014 AVC plan and left active membership:

- before 1 April 2008 an AVC death grant must still be paid to the member's personal representatives.
- after 31 March 2008 the position continues to remain unclear because the 2008 Administration Regulations are silent on how it should be paid. Each administering authority will therefore need to determine whether to pay the AVC death grant to the personal representatives or use their discretion to decide the recipient.

### **Regulations amended**

- **amended:** regulations 17(13), 40, 43 and 46 of the 2013 Regulations
- **deleted:** regulations 17(14), 40(4), 43(4), 46(5) of the 2013 Regulations
- **inserted:** regulations 3(5G) and 17(8A) of the 2014 Transitional Regulations which deletes regulations 23(5), 32(4) and 35(4) of the 2007 Benefit Regulations, regulations 38(6) and 155(5) of the 1997 Regulations, and regulation E8(5) of the 1995 Regulations.

### **2026 Amendment Regulations**

Regulations 1(2)(a), 9(1)(b), (c) and (2), 16(1)(b) and (2), 19(1) and (2), 22(1)(b) and (2), 35(1)(a) and (2), 42(1)(f) and (2)

### **Age cap lifted**

## **Description of change**

The age cap on paying a death grant is removed.

## **Effective date of the change**

The change applies to all deaths from 1 April 2014.

## **Impact of the change**

Where a member leaves active membership after 31 March 1998 and dies after reaching age 75 (or after reaching age 70 for pension credit members under the 1997 Regulations), a death grant can now be paid.

A death grant could already be paid in respect of members who left active membership before 1 April 1998 and died after reaching age 75.

The death grant is calculated in the normal way under the regulations that applied when the member left the LGPS.

The changes set out in the previous section, 'Death grants – requirement to pay to personal representatives removed' also apply here. This means that, regardless of how long has passed since the date of death, the administering authority has full discretion over who should receive the payment.

Payment of death grants falls under section 637H of Income Tax (Earnings and Pensions) Act 2003 for main scheme benefits, and section 637J for AVC benefits. This means that if the death grant relates to a person who died after reaching age 75, tax must be deducted as follows:

- if paid to a non-qualifying person (such as personal representatives, excluding a bare trustee), the payment is taxed at 45 per cent
- if paid to a qualifying person, tax is deducted at the recipient's marginal rate.

## **Interest**

Where the member died before 1 April 2026 and a death grant is payable under the changes brought about by the 2026 Amendment Regulations, regulation 29(2) of those regulations confirms that interest must be added in accordance with regulation 81 of the 2013 Regulations.

Regulation 81 confirms interest is payable where the death grant is not paid within one month of the due date, calculated at one per cent above base rate on a day-to-day basis from the due date, and compounded quarterly until payment is made. The due date is the date of death, or if notification of the death is received more than two years later, the date the administering authority was notified.

Where the member dies aged 75 plus on or after 1 April 2026, interest is payable under the regulations relevant to when the member left active membership. So, if the member left active membership:

- **after 31 March 2014**, interest is payable under regulation 81 of the 2013 Regulations, as set out above
- **between 1 April 2008 and 31 March 2014**, interest is payable under regulations 44(4) and 51 of the 2008 Administration Regulations. These provide the same outcome for death grants as regulation 81 of the 2013 Regulations
- **before 1 April 2008**, interest is payable under regulation 44(4) and 51 of the 2008 Administration Regulations, with the due date defined in regulation 94 of the 1997 Regulations. This confirms interest is payable where the death grant is not paid within one month of the due date, calculated at one per cent above base rate on a day-to-day basis from the due date, and compounded quarterly until payment is made. The due date is the date of death.

The Technical Group agreed in 2010 that interest on late payment of a death grant should be treated as part of the death benefit lump sum, rather than as a scheme administration member payment. HMRC confirmed this treatment was acceptable when the LTA regime was introduced in 2006. Where the member died:

- on or before age 75, both the lump sum death benefit and the associated interest must be tested against the LSDBA. Any interest paid must therefore be included in the LSDBA used amount when issuing the RBCE statement to the beneficiary
- after age 75, neither the lump sum death benefit nor any associated interest is tested against the LSDBA.

### Potential tax issue

There may be tax implications where a survivor's pension has previously been commuted to a Trivial Commutation Lump Sum Death Benefit (TCLSDB). A TCLSDB can only be paid if specific conditions are met, including that the payment must extinguish the dependant's entitlement to both a survivor's pension and any lump sum death benefit under the scheme in respect of the deceased member. If a death grant becomes payable retrospectively, this condition would no longer be satisfied.

However, HMRC's guidance in the PTMs listed below, states that the reference to extinguishing the member's entitlement to benefits under the scheme is to all the rights that could reasonably have been known about at the time of payment. Although these PTMs do not directly reference the payment of a TCLSDB, we think it is unlikely a different approach would apply.

- [PTM063500](#) – payment of a trivial commutation lump sum

- [PTM063700](#) – payment of de-minimis lump sum
- [PTM063400](#) – payment of a serious ill health lump sum

HMRC will only comment on ‘real’ cases and won’t definitive guidance at this stage. Therefore, should a case arise, we will be happy to contact HMRC on an administering authority’s behalf. Please send anonymised details of the case to [query.lgps@local.gov.uk](mailto:query.lgps@local.gov.uk).

## Regulations amended

- **amended:** regulations 40(1) and 46(1) of the 2013 Regulations
- **amended:** regulations 17(5), (7) and (8) of the 2014 Transitional Regulations.
- **inserted:** regulation 17(8A) of the 2014 Transitional Regulations which amends regulations 35(1) of the 2007 Regulations and regulations 38(1) and 155(1) of the 1997 Regulations.

## 2026 Amendment Regulations

Regulations 1(2)(a), 16(1)(a), 22(1)(a), 29(2), 42(1)(c), (d), (e) and (f).

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## Gender pensions gap

### Authorised unpaid leave – under 15 days

#### Description of change

Pension contributions are compulsory in a period of authorised unpaid leave of less than 15 days that starts on 1 April 2026 or later.

#### Effective date of the change

1 April 2026

Transitional arrangements set out in regulation 4(2) of the 2026 Amendment Regulations mean that these changes only affect a period of authorised unpaid leave that starts after 31 March 2026. The existing rules continue to apply to a period of authorised unpaid leave that started before 1 April 2026.

#### Impact of the change

Pension contributions are compulsory in a period of authorised unpaid leave of less than 15 days that starts on 1 April 2026 or later. The 15 days are calendar days. There is no adjustment for working days or in respect of members who work part time when working out whether an unpaid break is less than 15 days. Members will no longer need to apply to buy back pension lost during a short authorised unpaid break.

This change does not apply to a period in which the member is unpaid because of a trade dispute (strike).

The compulsory contributions are based on 'lost pensionable pay'. This is the pay the member would have received if they had been at work receiving their 'normal' pay instead of taking unpaid leave. 'Normal' pay is based on the member's contractual pay. Unlike Assumed Pensionable Pay (APP), it is not increased because of non-contractual payments the member received in the past, such as pay for non-contractual overtime.

Lost pensionable pay does not replace a member's actual pensionable pay. If a member receives some pensionable pay during a period of authorised unpaid leave, the actual pensionable pay and lost pensionable pay should be added together to find the cumulative pensionable pay for the period. This could happen if the member is paid a bonus or arrears of pay following a pay award while they are on unpaid leave.

Employer contributions are based on the primary percentage increased or reduced by any secondary rate adjustment specified for that employer for the year in which the leave was taken.

Member contributions are based on their normal contribution rate. If the member was paying reduced contributions immediately before the unpaid period because they had elected to join the 50/50 section of the scheme, the reduced rate also applies when working out the compulsory pension contributions the member must pay in respect of the unpaid period.

A pay reduction because of unpaid leave is ignored when allocating the member to the correct contribution band. These amendments do not change that provision.

This change means that contributions may be compulsory where an employee has purchased additional annual leave. This would be the case if the purchased leave is treated as unpaid leave by the employer. Members who participate in such a scheme will no longer have to arrange an Additional Pension Contribution (APC) contract to buy back the pension they have 'lost' during the extra leave. It is our understanding that most schemes of this type are paid for by a reduction to the member's pay spread out over the year. From 1 April 2026, this reduction should not reduce the member's pensionable pay.

Annual leave purchase schemes that operate in a different way, such as by reducing the member's contractual working time will not be affected by this change.

### **'Problem' cases**

There will be occasions when the regulations are not correctly applied when a member takes an authorised period of leave of less than 15 days. This section includes a couple of examples of when this might happen.

**Payroll not informed about the absence:** The member and employer will pay LGPS contributions as normal on the full pay the member receives. The employer will need to make an adjustment in a future pay period to reflect the unpaid absence. It is important that the adjustment does not reduce the member or employer pension contributions or the pensionable pay reported for that future pay period.

**Length of absence changes:** It is important that the most recent and full information is recorded on payroll so that any unpaid absence is treated correctly for pension purposes. For example, it will be necessary to consider the full length of the authorised break, not just the part of it that falls into a particular pay period when assessing whether compulsory contributions are payable or not. If an absence was planned to last for more than 14 days, but reduces when circumstances change, an adjustment may be needed if the unpaid break ends up being less than 15 days.

### **Example 1 – unpaid period reduced to less than 15 days**

A monthly paid member was granted unpaid leave from 8 to 28 June 2026 and payroll were informed. The member's pay was reduced because of the unpaid period. Because that period is more than 14 days, no pension contributions were deducted.

The member returns to work early from the unpaid period on 17 June 2026, but it is too late to make any changes to the June payroll. An adjustment must be made in the next pay period to:

- account for the shorter unpaid absence in the member's pay, and
- deduct compulsory pension contributions from the 'lost' pay because the absence was less than 15 days.

**Not enough pay to deduct contributions:** there will be some occasions when it will not be possible to deduct the compulsory contributions in the pay period that the absence occurs. This might happen if the member is paid weekly, or if the unpaid leave is immediately after a different unpaid period such as unpaid sickness absence or unpaid maternity leave. Employers must have a process in place to ensure that the compulsory contributions are deducted and paid to the administering authority as soon as possible after the unpaid break occurs.

### **Reporting requirements**

Employers must include lost pensionable pay, and employer and member contributions paid in respect of the lost pensionable pay when they submit data to the administering authority. Pensionable pay and member contributions for a member in the 50/50 section must be reported separately from pay and contributions in the main section.

The administering authority will not need to distinguish the lost pensionable pay from the pensionable pay the member actually received. There should be no need for employers to submit any additional data to the administering authority when a member takes authorised unpaid leave of less than 15 days.

### **Member benefits**

The lost pensionable pay will be included in the pay used to work out the pension the member builds up in the CARE scheme. There is no difference between the pension built up based on the pensionable pay the member received and the pension built up based on lost pay.

Taking leave of this type does not affect the calculation of final pay. If a member with final salary benefits or underpin protection took authorised unpaid leave of less than 15 days in the final pay period, there is no adjustment to the final pay calculation. Final pay is calculated as if the member had been at work receiving their normal pay.

An absence of this type does not affect a member's protection under the 85-year rule. The unpaid period is included when working out the individual's calendar length of membership.

### **Regulations amended**

- **inserted:** 11(5) and (6), 15(3A), 21A, 67(4)(c), definition of lost pensionable pay in Schedule 1 of the 2013 Regulations
- **amended:** 20(1), 67(4)(a), 69, definition of pensionable pay in Schedule 1 of the 2013 Regulations
- **amended:** Regulation 8 and paragraph 4(2) of Schedule 2 of the 2014 Transitional Regulations.

### **2026 Amendment Regulations**

Regulations 4, 6(1), 10, 11, 27, 28, 32(1), 41, 43.

### **Authorised unpaid leave – over 14 days**

#### **Description of change**

A new type of arrangement to buy back pension 'lost' in a period of authorised unpaid leave is introduced. These arrangements are known as qualifying additional pension arrangements or QAPAs. The cost of a QAPA and the pension purchased through a QAPA are different from those associated with existing Additional Pension Contribution contracts.

#### **Effective date of the change**

1 April 2026

Transitional arrangements set out in regulation 6(3) and 8(2) of the 2026 Amendment Regulations mean that these changes only apply to periods of authorised leave of over 14 days that started after 31 March 2026. The existing rules continue to apply to authorised breaks that started before 1 April 2026.

### **Impact of the change**

Qualifying Additional Pension Arrangements (QAPAs) are introduced to the regulations. A QAPA is an arrangement to buy back pension lost during an authorised absence. An arrangement is a QAPA if:

- the continuous unpaid absence with permission lasted more than 14 days
- the absence was not due to illness, injury, child-related leave or reserve forces leave
- the member elects to pay additional pension contributions to cover all or part of the unpaid absence
- the member makes that election while they are in the same employment they were in when they were absent and within a year of returning to work after the absence
- the employer may allow a longer period for the member to make an election.

The period of absence that a QAPA relates is known the 'qualifying period of absence'.

The additional pension credited to a member with a QAPA is 'qualifying additional pension'.

The 14 days are calendar days. There is no adjustment for working days or in respect of members who work part time when working out whether an unpaid break is more than 14 days.

If an authorised unpaid absence lasts longer than 14 days, no compulsory contributions should be deducted. The member can choose whether to pay contributions to cover the period. The rules that apply when an authorised absence is less than 15 days **do not apply** to the first 14 days of a longer absence.

Employers and members contribute to the cost of a QAPA:

- the member pays the contributions they would have paid if they had not been absent. The member will pay the reduced rate if they were in the 50/50 section immediately before the absence and they have not moved back to the main section in accordance with regulation 10(3) or (5) of the 2013 Regulations
- the employer pays the contributions they would have paid if the member had not been absent.

Employer contributions are based on the primary percentage increased or reduced by any secondary rate adjustment specified for that employer for the year in which the leave was taken.

Member contributions are based on their normal contribution rate. A pay reduction because of unpaid leave is ignored when allocating the member to the correct contribution band.

Employer contributions to a QAPA are compulsory if the authorised absence is less than or equal to three years. Employer contributions are compulsory for the first three years of an absence of more than three years. The employer may choose to contribute to the cost of buying back the pension lost in the unpaid period after the first three years. If the employer does not contribute to the cost of covering an unpaid break in excess of three years, the member may meet the cost. The arrangement is still a QAPA and the cost is the total member and employer contributions for the period.

The QAPA arrangement must specify how much pension will be credited to the active pension account. This is:

- if the member is in the 50/50 section, 1/98th of the pensionable pay they would have received if they had been at work receiving their normal pay during the qualifying period of absence
- otherwise, 1/49th of the pensionable pay they would have received if they had been at work receiving their normal pay during the qualifying period of absence.

'Normal pay' is the member's contractual pay.

If the QAPA is paid by regular contributions, the arrangement must also specify the amount of extra contribution to be paid each Scheme year and the additional pension to be credited at the end of each Scheme year.

Some of the rules that apply to an APC arrangement will also apply to a QAPA:

- the regulations allow the contributions to be paid as a lump sum or by regular contributions over a year or multiple years
- if the QAPA is paid by regular contributions, the contract must end before the member's normal pension age (NPA). A member over NPA or within a year of reaching their NPA can only pay by lump sum
- the member may make a direct payment to the administering authority if the QAPA is paid by lump sum. This may happen if:
  - they may not pay by regular contributions and they do not earn enough for the contributions to be deducted in a single pay period, or

- the member is not returning to work after an authorised absence. In this circumstance, the member must make their election before their last day of Scheme membership.

The member may elect to start a QAPA to cover part of an authorised period absence. If they do so, they may start a further arrangement to cover the remaining portion of the absence, or part of the remaining portion of the absence. The new arrangement will also be a QAPA if the member makes their election while they are in the same employment and within a year of returning to work, or within a longer period allowed by the employer.

### **Employer responsibilities**

There is no change to the way an authorised period of unpaid leave of more than 14 days should be treated by payroll: no pension contributions are deducted in respect of the unpaid period.

Members will no longer be able to use the calculator on the member website to work out the cost of covering the unpaid period for pension purposes. The employer may need additional information from payroll to be able to advise the member of their options.

Employers will need to advise their members of their pension options when they take an authorised period of unpaid leave. Employers should already have a process in place for such cases. They should review that process in the light of the introduction of QAPAs. Some employers supply all members who take unpaid leave with a calculation of the cost of covering the period for pension purposes. Others will only provide this information on request. For periods of authorised unpaid leave that started after 31 March 2026, this will only be required for absences of 15 days or more. The employer should tell the member:

- dates of the unpaid break
- the member cost to cover the unpaid period
- the cost per pay period if the member chose to pay by regular contributions over a year (or two years, three years etc where the amount is large)
- the additional pension the member would be entitled to if they make the payments, and the additional pension to be credited each Scheme year if paying by regular contributions.

If the member elects to enter into a QAPA, the employer will need to share this information with the administering authority. In addition, they will need to tell the administering authority:

- the employer contributions payable
- if paying by lump sum, when that will be paid

- if paying by regular contributions, pay frequency, member and employer contributions per pay period and the length of the contract.

The LGA will assist employers by providing a basic calculator for working out the employer and member cost in the coming weeks and template communications for members and administering authorities. Employers will need to communicate with their payroll departments about how they will exchange information and who is responsible for what part of the process.

### Member benefits

The pension a member buys through a QAPA mirrors the pension they would have built up if they had been at work receiving their normal pay instead of taking unpaid leave. This means:

- if the arrangement is being paid by regular contributions and the member retires with a tier 1 or 2 ill health pension before all the contributions have been paid, the QAPA is deemed to have been completed (the same applies to all APC contracts)
- the qualifying additional pension is not reduced if the member retires on redundancy or efficiency grounds before Normal Pension Age
- if the arrangement is being paid by regular contributions and the member dies as an active member before all the contributions have been paid, the QAPA is deemed to have been completed
- the qualifying additional pension is included when working out any survivor pension that becomes payable.

The proportion of the qualifying additional pension (QAP) that is included in a survivor's pension is:

Survivor	Proportion of QAP
Partner of an active, deferred, deferred pensioner or pensioner member	$49/160 = 30.625\%$ *
Child of active, deferred, deferred pensioner or pensioner member (one child)	$49/320 = 15.3125\%$
Child of active, deferred, deferred pensioner or pensioner member (more than one child)	$49/160 = 30.625\%$ split equally between the children
Child of active, deferred, deferred pensioner or pensioner member and no partner's pension paid (one child)	$49/240 = 20.4167\%$
Child of active, deferred, deferred pensioner or pensioner member and no partner's pension paid (more than one child)	$49/120 = 40.8333\%$ split equally between the children

\* SI 2026/226 incorrectly includes a proportion of 49/320 for partners of deferred or deferred pensioner members. MHCLG has confirmed that it will correct this to 49/160 when the legislative timetable allows. In the unlikely event that a case arises before the correction has been made, we recommend that the administering authority bases the calculation on the correct proportion: 49/160.

### **Additional information and problem cases**

- An arrangement to buy back pension 'lost' during an absence due to trade dispute (strike) is not a QAPA.
- The current rules will continue to apply if a member is buying back the pension 'lost' during a strike break, an authorised absence that started before 1 April 2026 or an authorised absence that started after 31 March 2026 if the member does not make their election within the period allowed for a QAPA. This will be the case if the member makes their election:
  - after they have left the employment they were in when they took the unpaid leave
  - more than a year after returning to work after the unpaid period
  - after a longer deadline allowed by the employer.

Members and employers can continue to use the [Buy lost pension calculator](#) on the [LGPS member website](#) in these circumstances.

- An administering authority cannot ask for a medical report before allowing a member to start a QAPA. They may continue to require such a report before the member starts another type of Additional Pension Contributions (APC) arrangement.

There will be occasions when an authorised break is expected to last for less than 15 days, but is extended.

### **Example 2 – break extended to over 14 days**

An employer consents to an unpaid break from 9 to 21 July 2026. Payroll is informed and the member's pay is adjusted to account for the unpaid break. As the break is less than 15 days, compulsory employer and member pension contributions are deducted from the lost pensionable pay.

Due to unforeseen circumstances, the unpaid break is extended to 25 July 2026. The extra leave is also authorised, but it was confirmed too late to make changes to the July payroll.

As the unpaid break was longer than 14 days, pension contributions are optional. In accordance with the regulations, member and employer contributions on the lost pensionable pay should be refunded. The member would have the choice about whether to start a QAPA to cover the whole unpaid period.

If the member indicates that they want to pay pension contributions to cover the unpaid period, we anticipate that some employers may take a pragmatic approach. It would be possible to take the deduct contributions in respect of the additional unpaid period, instead of reversing the contributions already deducted from the lost pay. This would put the member in the position they would have been in had they set up a QAPA instead. We expect such instances to be rare.

### **Regulations amended**

- **Inserted:** 16(4A), (4B), (8A), (10A), (12A), 16A, 41(4B), 42(4B), 42(5B), 42(9B), 42(10B), 48(4)(g), (5)(g), (9)(g), (10)(g), definitions of QAPA, qualifying additional pension and qualifying period of absences in Schedule 1 of the 2013 Regulations
- **Amended:** 16(7), (10), (12), 30(7)(a), 41(4), 42(4), 44(4), 45(4), (5), (9), (10), 47(4), 48(4), (5), (9), (10) of the 2013 Regulations
- **Deleted:** 15(5) and (6), 16(16) of the 2013 Regulations.

### **2026 Amendment Regulations**

6(1), 7(1), 8(1), 14, 17, 18, 20, 21, 23, 24, 32

### **Change in the definition of child-related leave**

#### **Description of change**

Child-related leave includes unpaid shared parental leave, unpaid additional maternity leave and unpaid adoption leave from 1 April 2026.

#### **Effective date of the change**

1 April 2026

Transitional arrangements set out in regulations 5(2), 7(2) and 32(2) of the 2026 Amendment Regulations mean that these changes only apply to relevant unpaid periods that start after 31 March 2026. The existing rules continue to apply to a period of unpaid additional maternity leave, unpaid additional adoption leave and unpaid shared parental leave that started before 1 April 2026.

If shared parental leave is taken in separate blocks, the date that an individual continuous period of unpaid shared parental leave starts is used to assess whether the new rules apply

#### **Impact of the change**

Assumed pensionable pay (APP) applies during a period of child-related leave. So APP will apply during the following types of leave, if the unpaid period starts on or after 1 April 2026:

- unpaid additional maternity leave

- unpaid additional adoption leave
- unpaid shared parental leave.

APP will apply during these periods in the same way as it applies during any current period of child-related leave:

- the member pays contributions on any pay that they receive
- the employer pays contributions on APP
- the employer reports APP as the member's pensionable pay to the administering authority for the period.

This does introduce a new circumstance in which a member in the 50/50 section must move to the main section. A member in the 50/50 section moves to the main section at the beginning of the pay period after the day they go onto no pay during child-related leave.

### Example 3 – 50/50 membership and child-related leave

A member started maternity leave on 13 July 2025 and was entitled to statutory maternity pay (SMP). They were in the 50/50 section of the LGPS immediately before their maternity leave started:

13/07/2025 to 10/01/2026: 26 weeks of ordinary maternity leave (paid)

11/01/2026 to 11/04/2026: 13 weeks of paid additional maternity leave (SMP paid)

12/04/2026 to 12/07/2026: unpaid additional maternity leave

APP applies throughout the year of maternity leave because the unpaid period starts after 1 April 2026. The member remains in the 50/50 section while they are receiving some pay. However, after moving on to nil pay, they must switch to the main section. This happens at the beginning of the pay period after the unpaid period starts. In this example, if the member was paid monthly, they would join the main section from 1 May 2026.

### Example 4 – 50/50 if no SMP/SAP paid

The position would be different if the member in Example 1 was not entitled to SMP (because their earnings were too low, or they had been employed for less than 26 weeks when their maternity leave started):

13/07/2025 to 23/08/2025: 6 weeks paid ordinary maternity leave

24/08/2025 to 10/01/2026: unpaid ordinary maternity leave

11/01/2026 to 12/07/2026: unpaid additional maternity leave

APP applies during the ordinary maternity leave, 13 July 2025 to 10 January 2026. APP **does not apply** during unpaid additional maternity leave because this started

before 1 April 2026. The member would have the option to pay additional contributions to buy the 'lost' pension under the pre-April 2026 rules.

If the member was in the 50/50 section immediately before the maternity leave started, they should have moved to the main section from 1 September 2025, the start of the month after the unpaid ordinary maternity leave started.

### Example 5 – blocks of shared parental leave

A monthly paid member takes shared parental leave in three blocks. Some of the leave is paid, some is unpaid:

Period 1: 20/01/2026 to 19/02/2026 – paid

Period 2: 20/03/2026 to 04/04/2026 – paid, 05/04/2026 to 19/04/2026 – unpaid

Period 3: 20/05/2026 to 19/06/2026 – unpaid

APP applies during period 1 because the member was paid throughout that period. APP also applies during the whole of period 2. Although that period started before 1 April 2026, the **unpaid part** started on 5 April 2026 and so the new rules apply. APP applies during period 3 under the new rules.

As the member was monthly paid, if they were in the 50/50 section, they would move to the main section on 1 June 2026. Although the member had an earlier unpaid period, 5 to 19 April 2026, they were not unpaid at the beginning of the next pay period and so they did not change section.

### Reporting requirements

It will no longer be necessary to distinguish between paid and unpaid periods of additional maternity leave, additional adoption leave and shared parental leave. Some administering authorities may ask employers to report this information at the start of a period of this type of leave. Administering authorities will need to review any breaks already recorded to ensure they are consistent with the new rules.

Administering authorities should also review their processes and instructions to employers to ensure they are gathering the necessary information.

### Employer responsibilities

Employers must ensure that APP is applied during periods of unpaid additional maternity leave, unpaid additional adoption leave and unpaid shared parental leave that starts after 31 March 2026. They should report APP to the administering authority for this period, and deduct employer contributions based on APP.

Employers should review and update their processes to ensure that a member who is in the 50/50 section is moved to the main section if they start unpaid shared parental leave, unpaid additional maternity leave or unpaid adoption leave after

31 March 2026. This only applies if they are still unpaid at the start of the pay period after the nil pay period starts.

Employers may also wish to review the position for any members who have already started a period of maternity, adoption or shared parental leave. APP may now apply to their unpaid periods of leave. We recommend that employers contact members affected to let them know that the pension position for any relevant unpaid period has changed.

### **Regulations amended**

- **Amended:** 12(2), 15(4)(b), 16(17)(a), definition of child-related leave in Schedule 1 of the 2013 Regulations.

### **2026 Amendment Regulations**

5, 6(1)(b), 6(2), 7(1)(i), 7(2), 32(1)(b), 32(2).

### **Change in the definition of paternity leave**

#### **Description of change**

The definition of paternity leave in the 2013 Regulations is changed to refer to Section 80A or 80B of the Employment Rights Act 1996 instead of the Paternity and Adoption Leave Regulations 2002.

#### **Effective date of the change**

1 April 2026

However, the change will only have an effect once [The Bereaved Partner's Paternity Leave Regulations 2026](#) come into force on 6 April 2026.

#### **Impact of the change**

Paternity leave is included in the definition of child-related leave in Schedule 1 of the 2013 Regulations. Therefore, assumed pensionable pay (APP) applies during paternity leave, which is usually limited to two weeks.

The right to take bereaved partner's paternity leave of up to 52 weeks is introduced from 6 April 2026. This type of leave will be available in certain circumstances to the partner of a child's primary carer when that primary carer dies after 5 April 2026 and within one year of a child's birth or adoption.

Bereaved partner's paternity leave is a type of paternity leave. It includes same-sex partners. APP will therefore apply throughout any period of leave of this type, whether the period is paid or unpaid.

APP will apply during these periods in the same way as it applies during any other period of child-related leave:

- the member pays contributions on any pay that they receive
- the employer pays contributions on APP
- the employer reports APP as the member's pensionable pay to the administering authority for the period.

Under the current rules, some members who are in the 50/50 section immediately before they start paternity leave are moved to the main section. This would happen if some or all of the paternity leave was unpaid and the unpaid part spanned two pay periods.

Members in the 50/50 section immediately before they take a period of bereaved partner's paternity leave should move to the main section if the leave is unpaid. They should join the main section from the start of the pay period after the date they go onto nil pay.

### **Regulations amended**

- **Amended:** definition of paternity leave in Schedule 1 of the 2013 Regulations.

### **2026 Amendment Regulations**

32(1)(e)

### **Gender pensions gap reporting**

#### **Description of change**

Administering authorities must include a report on the gender pension gap within the fund valuation report.

#### **Effective date of the change**

1 April 2026

#### **Impact of the change**

Administering authorities will need to report basic gender pension gap figures in the 2025 fund valuation report. The requirements are set out in the [2025 fund valuations – guidance for gender pension gap reporting](#) dated 2 February 2026. The administering authority must report the gender pension gap:

- across the whole fund for pensioner members
- across the whole fund and for categories of employers as set out in the guidance for active members.

MHCLG, the LGPS Advisory Board and GAD have worked together closely on gender pension gap reporting in recent months. Based on those conversations, the Government believes that the straightforward reporting in the 2025 valuation report will be possible using the membership data already collected by fund actuaries. The

guidance suggests areas where administering authorities may opt to include additional information that goes beyond the minimum requirements.

The Government has confirmed that it will introduce a requirement to include more in-depth gender pension gap reporting in future valuation reports. The guidance will be substantially updated before the next valuation date.

## **Regulations amended**

- **Inserted:** 62(3A) in the 2013 Regulations

## **2026 Amendment Regulations**

26.

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## **LTA abolition**

### **PCELS**

#### **Description of change**

This change implements the long-term policy on the maximum pension commencement excess lump sums (PCELS) that may be paid.

#### **Effective date of change**

The change applies to all PCELSs paid after 31 March 2026.

#### **Impact of change**

When setting the maximum allowable PCELS, administering authorities must now use the updated GAD guidance on lump sum commutation (dated 1 April 2026). The guidance is available on the [actuarial guidance](#) page of [www.lgpsregs.org](http://www.lgpsregs.org). Under this guidance, a PCELS may be paid only if:

- the contracting-out conditions are satisfied
- the lump sum meets the PCELS conditions in the Finance Act 2004
- the total lump sum (the pension commencement lump sum (PCLS) plus the PCELS) does not exceed 25% of the capital value of the benefits being taken.

The approach set out in the former GAD guidance, 'Limit on total amount of benefits – Lifetime Allowance', no longer applies and has been withdrawn.

In most cases, the long-term policy is more restrictive than the previous policy.

The long-term policy reflects what we expected and explained in the Abolition of LTA guide. Examples 17 and 18 in that guide provide further detail. The guide is available on the [Administrator guides and documents](#) page of [www.lgpsregs.org](http://www.lgpsregs.org).

Administering authorities will need to review ongoing cases to check whether the long-term PCELS policy affects any quoted figures. For example, a member may have received an estimate based on the transitional PCELS policy, but the final amount may now differ under the long-term rules.

## FAQs

### Can a pension credit member commute annual pension for a PCELS under the long-term policy?

A pension credit member may commute annual pension for a PCELS only if they already have the right to commute annual pension for a lump sum. If they do not have that right, the answer is no.

This is because the right to commute pension for a PCELS is provided under the same LGPS provisions that allow commutation for a pension commencement lump sum (PCLS).

## Regulations amended

- **deleted:** regulation 50 of the 2013 Regulations
- **deleted:** regulations 22(1) to (3) of the Benefit Regulations
- **deleted:** regulations 19A(1) to (3) of the 1997 Regulations.
- **inserted:** regulations 3(5H)(a)(i) and 3(5H)(b)(ii) of the 2014 Transitional Regulations.

## 2026 Amendment Regulations

Regulations 25 and 35(1)(b) of the 2026 Amendment Regulations

## BCE references

### Description of the change

The term 'benefit crystallisation event' has been replaced with 'relevant benefit crystallisation event' in the LGPS regulations. The new term is defined in section 637Q of the Income Tax (Earnings and Pensions) Act 2003.

### Effective date of change

The amendment takes effect from 1 April 2026.

### Impact of change

There is no impact on administration or member outcomes. The amendments simply update the LGPS regulations following the abolition of the lifetime allowance.

## Regulations amended

- **amended:** regulations 33(1), 33(2), 81(3)(b) of, and Schedule 1 to, the 2013 Regulations

- **amended:** regulation 21 of the 2007 Benefit Regulations
- **amended:** regulation 51 of the 2008 Administration Regulations
- **amended:** regulations 20(3A), 20(4A) of, and Schedule 1 and paragraph 5 of Schedule 8 to, the 1997 Regulations.
- **inserted:** regulations 3(5H)(a)(ii), 3(5H)(a)(v), 3(5H)(a)(vi), 3(5H)(b)(i) and 3(5H)(c) of the 2014 Transitional Regulations.

## 2026 Amendment Regulations

Regulations 15, 29(1)(b), 32(1)(a), 32(1)(h) and 35(1)(b) of the 2026 Amendment Regulations

### Serious ill health lump sums

#### Description of the change

The reference to ‘lifetime allowance’ (LTA) in regulation 50 of the 1997 Regulations has been removed.

#### Effective date of change

The amendment takes effect from 1 April 2026.

#### Impact of change

There is no change to administration or member outcomes. The amendment simply updates regulation 50 to reflect the abolition of the LTA.

#### Regulations amended

- **amended:** regulation 50 of the 1997 Regulations
- **inserted:** regulation 3(5H)(a)(iv) of the 2014 Transitional Regulations.

## 2026 Amendment Regulations

Regulation 35(1)(b) of the 2026 Amendment Regulations

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## McCloud

### Interest on Club transfer top-ups

#### Description of the change

Regulation 14 of the 2023 McCloud Regulations has been amended so that special interest is only paid on Club transfer top-up payments where:

- the original transfer was paid before 1 October 2023, and
- the receiving Club scheme **was not** a Chapter 1 Scheme (namely, the public service pensions schemes for NHS staff, police officers, civil servants, armed forces, teachers and firefighters), judicial scheme or another LGPS.

The amendment corrects regulation 14 so that it aligns with the rules in the Club Memorandum.

### **Effective date of change**

The amendment has backdated effect from 1 October 2023.

### **Impact of the change**

There should be no change in practice for administering authorities.

The McCloud statutory guidance explained that regulation 14 did not reflect policy intention and confirmed that MHCLG would amend it. Administering authorities should therefore already have been following the position set out in the Club Memorandum.

### **Regulations amended**

- substituted: regulation 14(3) of the 2023 McCloud Regulations
- inserted: regulation 14(3A) of the 2023 McCloud Regulations.

### **2026 Amendment Regulations**

Regulations 47(c) and (d) of the 2026 Amendment Regulations

### **Deaths on 30 September 2023**

#### **Description of the change**

This amendment corrects regulation 8 of the 2023 McCloud Regulations so that it expressly covers the recalculation of survivor pensions where the member died on 30 September 2023.

#### **Effective date of change**

The amendment has backdated effect from 1 October 2023.

#### **Impact of change**

There should be no change in practice for administering authorities.

It is assumed that authorities already treat deaths on 30 September 2023 as falling within regulation 8 and include

the recalculation of survivor pensions for these cases in their McCloud recalculations project.

Authorities that have not yet done so will need to review and correct any affected cases.

## Technical issue

The 2026 Amendment Regulations also change the heading of regulation 8 from:

- 'Survivor benefits in respect of members who died before 1st October 2023' to
- 'Survivor benefits in respect of members who died before 2nd October 2023'.

This new heading is misleading because it implies that regulation 8 applies to deaths on 1 October 2023, which is not correct.

Where a member died on 1 October 2023, the survivor pension should have been calculated under the new underpin rules from the outset, so regulation 8 does not apply.

## 2026 Regulations amended

- **amended:** regulation 8(1)(b) of the 2023 McCloud Regulations and the heading of regulation 8.

## Amendment Regulations

Regulation 45 of the 2026 Amendment Regulations.

## Recalculating pension sharing – monetary amount

### Description of the change

This amendment removes the requirement to revisit a Pension Sharing Order (PSO) for McCloud where the order specifies a monetary amount (rather than a percentage) and that amount is less than the original PSO cash equivalent.

Previously, the regulations required the PSO cash equivalent to be recalculated for these cases, even though any increase would not change the amount awarded to the ex-spouse or civil partner.

### Effective date of the change

The amendment has effect from 1 October 2023.

### Impact of the change

Administering authorities are now only required to revisit a PSO under regulation 12 of the 2023 McCloud Regulations where:

- the CARE account has underpin protection, **and**
- the PSO took effect between 1 April 2014 and 30 September 2023 (inclusive), **and**
- the PSO specified a percentage amount, **or**

- the PSO specified a monetary amount that was more than the original PSO cash equivalent.

We assume that administering authorities would not revisit PSOs that specified a monetary amount lower than the original PSO cash equivalent. The amendment therefore confirms existing practice, and it is likely that this change will have no practical effect.

### **Regulations amended**

- **amended:** regulation 12(2) of the 2023 McCloud Regulations
- **inserted:** regulation 12(2A) of the 2023 McCloud Regulations.

### **2026 Amendment Regulations**

Regulations 46(b)(i) and (c) of the 2026 Amendment Regulations.

## **Recalculating pension sharing – pension debits**

### **Description of the change**

These amendments introduce new requirements for administering authorities to recalculate pension debits where:

- the member's CARE account has underpin protection, **and**
- the pension sharing order (PSO) took effect between 1 April 2014 and 30 September 2023 (inclusive), **and**
- the PSO specified a percentage, **or**
- the PSO specified a monetary amount that was higher than the original PSO cash equivalent, **and**
- the recalculated PSO cash equivalent is higher than the original PSO cash equivalent.

### **Effective date of the change**

The amendment has effect from 1 October 2023.

### **Impact of the change**

Where these conditions are met, administering authorities must recalculate the pension debit in line with GAD guidance. This will increase the overall pension debits.

GAD guidance is still awaited on how to recalculate both the original PSO cash equivalent and the corresponding pension debits. We expect this guidance to be included in sections 6 and 8 of Guidance for applying McCloud remedy to retrospective cases (before 1 October 2023).

The required actions depend on the status of the member's CARE account immediately before 1 April 2026:

- **Active status:** the administering authority must recalculate the pension debit and update the member. This must be completed before any subsequent deferred, retirement, death or divorce-sharing calculations are carried out for the debit member.
- **Deferred status:** the administering authority must recalculate the pension debit, recalculate the deferred benefits, and then update the member. This must be completed before any subsequent retirement, trivial commutation lump sum, small-pot payment, death, divorce-sharing, interfund adjustment or transfer-out calculations are carried out for the debit member.
- **Aggregated to a different record in a different fund:** the administering authority must recalculate the pension debit and send the updated information to the other LGPS fund. MHCLG will confirm whether the interfund adjustment must also be recalculated.
- **Any other status:** MHCLG will issue guidance on how to deal with these cases, including whether the debits should be recalculated and, if so, how to treat any overpayments. Administering authorities should identify these cases now and wait for further instructions.

## FAQs

### What happens if a member's status is changed after 31 March 2026 but with an effective date before 1 April 2026?

We await MHCLG statutory guidance on whether such cases should be treated in the same way as cases processed before 1 April 2026.

### Do you include the pension debit for the underpin in annual allowance calculations?

Regulation 14 of the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 requires the underpin to be ignored in annual allowance calculations.

The increased debit relates to underpin amounts. It is currently unclear whether regulation 14 also requires these underpin-related debits to be excluded. For example, if the underpin itself is ignored, should the corresponding debit also be ignored?

If the same approach applies, it would also affect annual allowance calculations where the PSO effective date is after 30 September 2023.

Further clarification from MHCLG is required. If the debits must be included, MHCLG will also need to confirm whether they should appear in:

- both opening and closing values from 2023/24 onwards, or
- an earlier tax year

### **What happens if a guaranteed transfer value was calculated using an original pension debit and the member elects before the guarantee expires, but the payment is made on or after 1 April 2026?**

If a CETV was calculated using a guarantee date before 1 April 2026 (and therefore based on the original pension debits) and the member elects within the three-month guarantee period but payment is made on or after 1 April 2026, it is unclear whether the administering authority must:

- honour the original CETV, or
- reduce the CETV to reflect the recalculated pension debits.

We await clarification from MHCLG.

### **Regulations amended**

- **substituted:** regulation 12(5) of the 2023 McCloud Regulations
- **inserted:** regulations 12(5A), 12(5B) and 12(5C) of the 2023 McCloud Regulations.

### **2026 Amendment Regulations**

Regulation 46(f) of the 2026 Amendment Regulations.

### **Recalculating pension sharing – pension credits**

#### **Description of the change**

These amendments widen the types of pension credit calculations that administering authorities must revisit under regulation 12 of the 2023 McCloud Regulations.

The amendments apply where the ex-spouse or civil partner:

- transferred their share to a qualifying arrangement on implementation of the PSO
- died before the PSO was implemented
- was awarded LGPS pension credit benefits on PSO implementation:
  - which were trivially commuted before 1 October 2023,
  - where the credit member died before 1 October 2023, or
  - where the credit member transferred out their LGPS pension credit benefits before 1 October 2023.

#### **Effective date of the change**

The amendment has effect from 1 October 2023.

## Impact of the change

Following the amendment to regulation 12, administering authorities must revisit the calculations described below where:

- the debit member's CARE account has underpin protection, **and**
- the PSO took effect between 1 April 2014 and 30 September 2023 (inclusive), **and**
- the PSO specified a percentage, **or**
- the PSO specified a monetary amount greater than the original PSO cash equivalent, **and**
- the recalculated PSO cash equivalent is higher than the original PSO cash equivalent.

GAD guidance on how to recalculate the original PSO cash equivalent is still awaited. We expect this to appear in section 6 of Guidance for applying McCloud remedy to retrospective cases (before 1 October 2023).

### **Scenario 1: LGPS pension credit benefits awarded on PSO implementation – deferred status immediately before 1 October 2023**

The 2026 Amendment Regulations do not change these cases.

Recalculations required:

- using the recalculated PSO cash equivalent, recalculate the original amount awarded to the ex-spouse / civil partner at PSO implementation
- using that amount, recalculate the LGPS pension credit benefits using GAD guidance\*

The recalculations must be completed before any retirement, trivial commutation, death grant, or transfer-out calculation after 30 September 2023.

If the benefits remain deferred, the 2025/26 annual benefit statement must reflect the recalculated benefits.

### **Scenario 2: LGPS credit benefits awarded on PSO implementation – pensioner status immediately before 1 October 2023**

The 2026 Amendment Regulations do not change these cases.

Recalculations required:

- recalculate the original amount awarded to the ex-spouse / civil partner using the recalculated PSO cash equivalent
- recalculate the LGPS pension credit benefits using GAD guidance\*
- recalculate pension in payment and pay arrears with special interest.

The recalculations must be completed before any post-30 September 2023 trivial commutation or death grant calculations.

For more information, see pages 151–154 of the McCloud administrator guide.

### **Scenario 3: LGPS pension credit benefits awarded on PSO implementation – transferred out before 1 October 2023**

This includes cases where benefits were deferred immediately before 1 October 2023 but the transfer value was calculated before then and paid after then.

Recalculations required:

- recalculate the original amount awarded to the ex-spouse / civil partner using the recalculated PSO cash equivalent
- recalculate LGPS pension credit benefits using GAD guidance\*
- recalculate the transfer-out value using GAD guidance\*\*
- take reasonable steps to pay the top-up payment, with special interest, to the receiving scheme.

### **Scenario 4: LGPS pension credit benefits awarded on PSO implementation – trivially commuted before 1 October 2023**

Recalculations required:

- recalculate the original amount awarded to the ex-spouse / civil partner using the recalculated PSO cash equivalent
- recalculate LGPS pension credit benefits using GAD guidance\*
- if the pension was in payment before commutation, recalculate and pay arrears with special interest
- recalculate the commutation lump sum using GAD guidance\*\*
- pay the top-up lump sum with special interest.

Pension arrears should be paid before the top-up lump sum.

### **Scenario 5: LGPS pension credit benefits awarded on PSO implementation – credit member died before 1 October 2023**

Recalculations required:

- recalculate the original amount awarded to the ex-spouse / civil partner using the recalculated PSO cash equivalent
- recalculate LGPS pension credit benefits using GAD guidance\*
- if pension was in payment, recalculate and pay arrears, with special interest, to the personal representatives
- recalculate the death grant and pay the top-up amount with special interest, to the original recipients in the same proportions.

## Scenario 6: no LGPS benefits awarded on PSO implementation – share transferred to a qualifying arrangement

Recalculations required:

- recalculate the original amount awarded to the ex-spouse / civil partner using the recalculated PSO cash equivalent
- recalculate the payment to the qualifying arrangement using GAD guidance\*\*
- take reasonable steps to pay the top-up payment, with special interest, to the qualifying arrangement.

### Technical issue:

The top-up payment should logically be the difference between the ex-spouse's/partner's share of the original and recalculated PSO cash equivalents. It is unclear why GAD guidance is required or why the regulations refer to the "recalculated pension", given that no LGPS pension was awarded.

## Scenario 7: no LGPS benefits awarded: ex-spouse/civil partner died before PSO implemented

Recalculations required:

- recalculate the original amount awarded to the ex-spouse / civil partner using the recalculated PSO cash equivalent
- recalculate the notional pension credit benefits using GAD guidance\*
- recalculate and pay top-up death grant, with special interest, to the original recipients

We have interpreted references to "pension credit member" in amended regulation 12 as simply referring to the member's spouse or civil partner, not someone awarded LGPS pension credit benefits.

### GAD guidance

\* GAD has not yet issued the guidance required for this purpose. We expect it to appear in section 7 of Guidance for applying McCloud remedy to retrospective cases (before 1 October 2023).

\*\* GAD has not yet issued this guidance. We expect it to be provided through an update to Guidance for applying McCloud remedy to retrospective cases (before 1 October 2023).

### FAQs

#### How do you calculate the special interest?

Administering authorities must calculate special interest as simple interest, using the rate set under section 17(1) of the Judgments Act 1838 (8% a year). Interest applies from the 'relevant date' to the date the payment is made.

The 'relevant dates' differ by scenario:

- **scenario 2 (pension arrears)**: the day that falls halfway through the period beginning with the pension start date and the date on which the payment is made.
- **scenario 3 (transfer top-up)**: the date on which the original transfer was paid.
- **scenario 4 (pension arrears)**: the day that falls halfway through the period beginning with the final underpin date and the date on which the payment is made (we suspect that this outcome is a technical error, and the relevant date should be the same as that for the pension arrears under scenario 2).
- **scenario 4 (top-up commutation lump sum)**: the date on which the original lump sum was paid.
- **scenario 5 (pension arrears)**: the day that falls halfway through the period beginning with the final underpin date and the date on which the payment is made (we suspect that this outcome is a technical error, and the relevant date should be the same as that for the pension arrears under scenario 2).
- **scenarios 5 and 7 (top-up death grant)**: the date on which the original death grant was paid.
- **scenario 6 (top-up payment to qualifying arrangement)**: the date on which the original payment to the qualifying arrangement was paid.

GAD has published a calculator for LGPS England and Wales that can be used to calculate the special interest. This is available on the actuarial guidance page of [www.lgpsregs.org](http://www.lgpsregs.org) (click on 'McCloud remedy' section). We expect this to be updated shortly.

### Can a pension credit member commute some of the extra pension for lump sum?

A pension credit member who:

- is still receiving a pension, and
- was able to commute part of that pension for a lump sum at the original pension start date,

may also commute part of any extra pension for a lump sum, up to the usual HMRC limits.

An RBCE occurs when the member becomes entitled to the extra pension. The normal LGPS interest rules apply to the new lump sum, not the special interest rules. The 2026 Amendment Regulations do not change this.

### What is the tax treatment of the top-up payments?

The tax position is unclear.

The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023, the (No. 2) Regulations 2023, and the Regulations 2025 modify how tax legislation applies to McCloud-related recalculations.

It is not yet clear whether the same tax modifications that apply to standard LGPS members also apply to top-up payments for pension credit members. The key issue is whether the additional benefits arise from a “relevant rectification provision”, that is, whether they are provided by virtue of section 78 of the Public Service Pensions and Judicial Offices Act 2022.

If they do not fall within that definition, further rectification regulations may be needed to cover pension credit members specifically.

We are awaiting further guidance from MHCLG on this point.

### **Regulations amended**

- **substituted:** regulation 12(5) of the 2023 McCloud Regulations
- **inserted:** regulations 12(6A), 12(6B), 12(6C), 12(6D), 12(6E) and 12(6F) of the 2023 McCloud Regulations.

### **2026 Amendment Regulations**

Regulations 46(f) and 46(g) of the 2026 Amendment Regulations.

### **Joiners after age 65 with underpin protection on transfer in**

#### **Description of the change**

This amendment specifies how to treat members for underpin calculations where they join the LGPS after age 65 and transfer in remediable service from another public service pension scheme.

#### **Effective date of the change**

The amendments take backdated effect from 1 October 2023.

#### **Impact of the change**

For these members, the underpin date for the transferred-in benefits will be after age 65 and is:

- **Club transfers:** the earlier of:
  - the guarantee date used by the sending scheme, and
  - the last day of active membership.
- **non-Club transfers:** the earlier of:
  - the date on which the transfer payment was received, and
  - the last day of active membership.

The provisional assumed benefits and provisional underpin amount at that underpin date must be calculated using GAD guidance, rather than by applying the standard rules for calculating these provisional figures. GAD guidance is awaited.

Administering authorities will need to identify all affected cases and ensure that underpin figures are calculated correctly, including where the underpin date falls before 1 October 2023.

## FAQs

### How do you calculate the final underpin figures?

Once you have calculated the provisional figures for the transfer-in using GAD guidance, adjust them in the normal way to determine the final underpin figures. For example:

- **Revaluation**
  - revalue the provisional assumed benefits between the underpin date and the final underpin date (or death) as if they were a deferred CARE balance
  - adjust the provisional underpin amount for pensions increase for the period between the day after the period used to calculate the final pay and the final underpin date.
- **Late retirement**
  - apply late retirement adjustment to the provisional assumed benefits if the member retires after State Pension age (or age 65 if later)
  - apply late retirement adjustment to the provisional underpin amount if the member retires after age 65
  - we expect GAD guidance on late retirements to be amended to explain how to calculate these adjustments where the transfer relevant date is after these dates.
- **Early retirement**
  - apply early payment reductions to the provisional assumed benefits if the member retires before State Pension age (or age 65 if later), except for ill-health or redundancy/business efficiency retirements
  - do not apply early retirement reductions to the provisional underpin amount because the active CARE account began after age 65, so early retirement is not possible.

### What happens if such members transfer in multiple periods of remediable service?

We expect MHCLG to cover this point in an update to the McCloud statutory guidance.

## What happens if the post age 65 joiner transfers in remediable service and aggregates past LGPS benefits, both of which have underpin protection?

The underpin date for the transferred-in benefits is as set out above.

The provisional assumed benefits and provisional underpin amount for the aggregated past LGPS benefits will already have been calculated using the original underpin date for those benefits (that is, the earlier of age 65 or date of leaving).

As the member rejoined after age 65 and there has been no disqualifying break, those previous provisional figures continue on the active CARE account using the original underpin date.

The CARE account will therefore hold two separate sets of provisional underpin figures with different underpin dates. Under section 8 and Annex A of the McCloud statutory guidance, the provisional figures for each set operate separately, rather than being combined to form a single set when testing whether any final guarantee amount is due.

### Regulations amended

- **amended:** regulation 4G of the 2014 Transitional Regulations
- **inserted:** regulations 4G(2) to (5), 4I(1A) and 4J(1A) of the 2014 Transitional Regulations.

### 2026 Amendment Regulations

Regulations 37, 38 and 39 of the 2026 Amendment Regulations.

### McCloud compensation

#### Description of the change

This amendment sets out the special interest rules that apply when an administering authority pays direct compensation.

Further information on McCloud compensation is available in section 11 of the McCloud implementation statutory guidance, published on the [Administrator guides and documents](#) page of [www.lgpsregs.org](http://www.lgpsregs.org).

#### Effective date of change

The amendments take effect from 1 October 2023.

#### Impact of change

When an administering authority pays direct compensation, it must also pay special interest under regulation 15 of the 2023 McCloud Regulations.

The interest rate depends on the type of compensation:

- **Direct financial loss that is not a 'Part 4 tax loss'**– simple interest at the rate set out in section 17(1) of the Judgments Act 1838 (8% per year).
- **All other direct compensation** – interest calculated in accordance with the Taxes (Interest Rate) Regulations 1989, as if the direct compensation were overpaid tax.

Interest is calculated from the relevant date to the payment date:

- **Direct financial loss** – the relevant date is the date the loss occurred
- **Specified Part 4 tax loss** – the relevant date is the date of overpayment.

### **Regulations amended**

- **amended:** regulation 81(A1)(b) of the 2013 Regulations
- **inserted:** regulation 15 of the 2023 McCloud Regulations.

### **2026 Amendment Regulations**

Regulations 29(1)(a) and 48 of the 2026 Amendment Regulations.

### **Minor amendments to regulations 4F and 4P**

#### **Description of the change**

These amendments correct minor errors in regulations 4F(1) and 4P(5) of the 2014 Transitional Regulations.

Regulation 4F(1) contains an incorrect cross-reference: it refers to regulation 4H(i) instead of regulation 4H(1)(i). Regulation 4P(5) incorrectly refers to the 'provisional underpin' rather than the 'provisional underpin amount'.

#### **Effective date of change**

The amendments take effect from 1 October 2023.

#### **Impact of change**

There is no impact on administration or member outcomes. These are minor technical corrections only.

### **Regulations amended**

- **amended:** regulations 4F(1) and 4P(5) of the 2014 Transitional Regulations.

### **2026 Amendment Regulations**

Regulations 36 and 40 of the 2026 Amendment Regulations.

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## Other regulation changes

### Children's short-term pensions

#### Description of change

To correct an error in the 1995 and 1997 Regulations that provides for a child's short-term pension to be paid in full, even if the beneficiary stops meeting the definition of an eligible child part-way through the short-term payment period.

#### Effective date of change

The change applies to deaths from 1 April 2026.

#### Impact of change

This situation is expected to be rare. Administering authorities should make sure all correspondence clearly informs beneficiaries that the short-term pension will cease early if they stop meeting the definition of an eligible child, as set out in Schedule 1 of the 2013 Regulations.

Because the change only applies to deaths from 1 April 2026, if the short-term pension is paid in respect of a death that occurred before then, the short-term pension must continue to be paid until the end of the short-term payment period, even if the child no longer meets eligible child definition.

#### Regulations amended

- **inserted:** regulation 3(5I) of the 2014 Transitional Regulations which amends regulations G7(1) of the 1995 Regulations and regulations 45(2) and (3) of the 1997 Regulations
- **inserted:** regulation 45(3A) of the 1997 Regulations.

#### 2026 Amendment Regulations

Regulations 1(2)(d), 35(1)(b) and 35(3).

### De minimis payments extended to pre-2008 leavers

#### Description of change

A de minimis payment under the 2009 Regulations, sometimes referred to as a 'small pot payment', can now be paid to any member.

#### Effective date of change

This change applies to any de minimis payment made on or after 1 April 2026, including those cases where the member is in the process of taking payment, but has yet to receive their benefits.

## **Impact of change**

The purpose of these amendments is to allow a de minimis payment under regulations 6, 11 or 12 of the 2009 Regulations to be made to any member. Previously, these payments could not be made to:

- members who left before 1 April 2008
- councillor members under the 1997 Regulations
- pension credit members under the 1997 Regulations.

The conditions to qualify as a de minimis payment include that:

- the lump sum must not exceed £10,000 and
- the payment must extinguish all benefits held in the scheme.

The conditions are significantly less restrictive than those that apply when paying a trivial commutation lump sum under the Finance Act 2004. Administering authorities may wish to advise members who were ineligible for payment of a trivial commutation lump sum that they may be entitled to a de minimis payment due to this rule change.

## **Regulations amended**

- **inserted:** regulation 3(5H) of the 2014 Transitional Regulations which amends regulation 49(1) of the 1997 Regulations and regulation 14(3) of the 2008 Transitional Regulations.

## **2026 Amendment Regulations**

Regulations 1(2)(d) and 35(1)(b)

## **Combined county authorities**

### **Description of the change**

Combined county authorities established by regulations made under section 9 of the Levelling-up and Regeneration Act 2023 are added to the list of LGPS employers in Part 1 of Schedule 2.

### **Effective date of the change**

The amendment takes effect from 28 February 2024. This aligns with the date on which the first combined county authority (East Midlands Combined County Authority) was established under those regulations.

### **Impact of the change**

Our expectation is that administering authorities have already been treating these combined county authorities as employers listed under Part 1 of Schedule 2. If so,

the amendments are simply technical changes that align the regulations with existing practice.

Administering authorities should, however, satisfy themselves that any combined county authorities to which they are the relevant administering authority have in fact been treated in this way.

### **Regulations amended**

- **inserted:** paragraph 29 of part 1 to Schedule 2 to the 2013 Regulations.

### **2026 Amendment Regulations**

Regulation 33(a) of the 2026 Amendment Regulations.

## **Part 2 LGPS employers**

### **Description of the change**

Paragraph 6 of part 2 of Schedule 2 to the 2013 Regulations has been updated so that it also applies to companies under the control of the following bodies:

- North Wales Corporate Joint Committee
- Mid Wales Corporate Joint Committee
- South East Wales Corporate Joint Committee
- South West Wales Corporate Joint Committee
- combined county authority established by regulations made under section 9 of the Levelling-up and Regeneration Act 2023.

Paragraph 6 of part 2 sets out the meaning of 'under the control'.

### **Effective date of the change**

The amendments take effect from 28 February 2024.

### **Impact of the change**

The newly listed bodies should review the LGPS position of any companies under their control. For example, such a company may now designate their employees, or groups of their employees, as eligible for LGPS membership.

### **Regulations amended**

- **amended:** paragraph 6 of part 2 to Schedule 2 to the 2013 Regulations.

### **2026 Amendment Regulations**

Regulation 33(b) of the 2026 Amendment Regulations.

## Minor amendments to 2023 revaluation changes

### Description of the change

The 2026 Amendment Regulations make the following minor technical amendments:

- They amend regulations 25(4A), 25(6), 27(5), 41(5), 42(12), 44(5), 45(12), 47(5) and 48(12) of the LGPS Regulations 2013 by inserting the words ‘the revaluation adjustment’ before ‘takes effect from’.
- They effectively renumber regulations 41(4)(aa), 42(4)(aa), 42(5)(aa), 42(9)(aa) and 42(10)(aa) of the LGPS Regulations 2013 as 41(4A), 42(4A), 42(5A), 42(9A) and 42(10A). This aligns the numbering with the equivalent provisions in regulations 44, 45, 47 and 48.

### Effective date of the change

The amendments take effect from 1 April 2026.

### Impact of the change

There is no change to administration or member outcomes. These amendments are minor and purely technical, intended to improve clarity.

## 2026 Amendment Regulations

Regulations 12, 13, 17(a)(ii), 17(b), 17(c), 18(a)(ii), 18(b), 18(c)(ii), 18(d), 18(e)(ii), 18(f), 18(g)(ii), 18(h), 18(i), 20(b), 21(e), 23(b) and 24(f) of the 2026 Amendment Regulations.

### Regulations amended

- **amended:** regulations 25(4A), 25(6), 27(5), 41(4)(aa), 41(4A), 41(5), 42(4)(aa), 42(4A), 42(5)(aa), 42(5A), 42(9)(aa), 42(9A), 42(10)(aa), 42(10A), 42(12), 44(5), 45(12), 47(5) and 48(12) of the 2013 Regulations.

## Minor amendments to transfers out

### Description of the change

These amendments correct two drafting errors in the LGPS Regulations.

First, a missing cross-reference has been added to regulation 96(1) of the 2013 Regulations to reflect the statutory right for pension credit members to transfer out under Part 4A of the Pension Schemes Act 1993.

Second, incorrect references suggesting that cohabiting partners can receive a survivor’s GMP have been removed.

## **Effective date of the change**

The amendments to the 2013 Regulations take effect from 1 April 2026. The amendment to the 2008 Administration Regulations takes effect from 1 April 2014.

## **Impact of the change**

There is no change to administration or member outcomes.

Even before the amendment to regulation 96(1), LGPS pension credit members could already rely on the overriding statutory right to transfer out under the Pension Schemes Act 1993.

Cohabiting partners cannot receive a survivor's GMP, so the incorrect wording in the LGPS regulations had no practical impact.

## **Regulations amended**

- **amended:** regulations 96(1) and 97(4)(a) of the 2013 Regulations.
- **amended:** regulation 80(5)(a) of the 2008 Administration Regulations
- **inserted:** regulation 3(5C)(c) of the 2014 Transitional Regulations.

## **2026 Amendment Regulations**

Regulations 30, 31 and 35(1)(a) of the 2026 Amendment Regulations.

## Legislation abbreviations

Full title	Shortened title
LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026	2026 Amendment Regulations
LGPS (Amendment) (No 3) Regulations 2023	2023 McCloud Regulations
LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014	2014 Transitional Regulations
LGPS Regulations 2013	2013 Regulations
Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011	2011 Discretionary Payments Regulations
Registered Pension Schemes (Authorised Payments) Regulations 2009	2009 Regulations
LGPS (Transitional Provisions) Regulations 2008	2008 Transitional Regulations
LGPS (Administration) Regulations 2008	2008 Administration Regulations
LGPS (Benefits, Membership and Contributions) Regulations 2007	2007 Benefit Regulations
LGPS (Discretionary Payments) Regulations 1996 & LGPS (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000	2000 Discretionary Compensation Regulations
LGPS (Transitional Provisions) Regulations 1997	1997 Transitional Regulations
LGPS Regulations 1997	1997 Regulations
LGPS Regulations 1995	1995 Regulations
LGS Regulations 1986	1986 Regulations
LGS Regulations 1974	1974 Regulations

## Survivor equalisation recalculation table

Date member left active membership	Date of death	Survivor recalculations	Equalise survivor benefits up to:
Before 01/04/2008	From 05/12/2005	Pre leaving relationship – <b>male survivor of an opposite sex marriage</b>	<a href="#">Total membership</a>
Before 01/04/1998	From 05/12/2005	Post leaving relationship where the survivor was the deceased's spouse at some time while they were in local government employment after 31 March 1972 and before the date, they became entitled to a retirement pension – <b>female survivor of an opposite sex marriage</b> (only for deaths between 01/04/2014 and 09/01/2019) <b>and male survivor of an opposite sex marriage</b> .	<a href="#">Total membership</a>
Before 01/04/1998	From 31/12/2019	Post leaving relationship – <b>male survivor of an opposite sex civil partnership</b> where the survivor was his partner's husband at some time while she was in local government employment after 31 March 1972 and before the date, she became entitled to a retirement pension.	<a href="#">Total membership</a>
Before 01/04/2014	From 05/12/2005	Post leaving relationship – <b>survivors of an opposite sex marriage</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined <a href="#">in regulation F8(3)</a> where the deceased left active membership before 01/04/1998, or <a href="#">RAM</a> where deceased left

Date member left active membership	Date of death	Survivor recalculations	Equalise survivor benefits up to:
			active membership between 01/04/1998 and 31/03/2014
From 01/04/2014 with 2008 Scheme final salary membership	From 01/04/2014	Post leaving relationship – <b>survivors of an opposite sex marriage</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined in <a href="#">RAM</a>  Plus 2014 CARE scheme survivor benefits
Before 01/04/1998	From 05/12/2005	Post leaving relationship – <b>survivor of a same sex civil partnership</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined <a href="#">in regulation F8(3)</a>
Before 01/04/1998	From 13/03/2014	Post leaving relationship – <b>survivor of a same sex marriage</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined <a href="#">in regulation F8(3)</a>
Between 01/04/1998 and 31/03/2008	From 05/12/2005	Post leaving relationship – <b>survivor of a same sex civil partnership</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined in <a href="#">RAM</a>
Between 01/04/1998 and 31/03/2008	From 13/03/2014	Post leaving relationship – <b>survivor of a same sex marriage</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined in <a href="#">RAM</a>
Between 01/04/2008 and 31/03/2014	From 01/04/2014	Post leaving relationship – <b>survivor of a same sex civil partnership or same sex marriage</b> (excluding where the member in a same sex civil partnership or	<a href="#">Membership after 5 April 1978</a> plus the membership defined in <a href="#">RAM</a>

Date member left active membership	Date of death	Survivor recalculations	Equalise survivor benefits up to:
		their survivor opted out of the changes – in which case total membership applies)	
From 01/04/2014 with 2008 Scheme final salary membership	From 01/04/2014	Post leaving relationship – <b>survivor of a same sex civil partnership or same sex marriage</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined in <a href="#">RAM</a> Plus 2014 CARE scheme survivor benefits
Before 31/03/2026	From 31/12/2019	Post leaving relationship – <b>survivor of an opposite sex civil partnership</b>	<a href="#">Membership after 5 April 1978</a> plus the membership defined <a href="#">in regulation F8(3)</a> where the deceased left active membership before 01/04/1998, or <a href="#">RAM</a> where deceased left active membership between 01/04/1998 and 31/03/2014
Between 01/04/2008 and 31/03/2014	Between 01/04/2008 and 31/03/2014	<b>Surviving cohabiting partner</b>	<a href="#">Membership after 5 April 1988</a> plus the membership <a href="#">defined in RAM</a> plus pre 06/04/1988 membership bought to count towards survivor benefits

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