

LGPS Scotland - Annual Benefit Statements Technical Guide

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Part 1 – Introduction

The LGPC working with the Communications Working Group (CWG) has published a guide for administering authorities in England and Wales. Its purpose is to assist administering authorities in producing annual benefit statements for active members of the Local Government Pension Scheme (LGPS). This guide is an adapted version of that guide for administering authorities in Scotland.

The guide applies to both councillor and non-councillor members.

Summary of the guide

This guide reflects changes required by the McCloud remedy and the introduction of pensions dashboards. This guide therefore applies to statements produced from 2025 onwards. We have broadly assumed that the Scottish Public Pensions Agency (SPPA) will proceed with the proposals referred to in [SPPA Circular 2024/05](#). We will update the guide as necessary when the amended regulations are in force.

This guide sets out our understanding of what **must be included** in an annual benefit statement. You can read extracts from and find links to the legislation we have referred to in [Part 5](#). We have also included recommendations of ‘best practice’. This is the information that should be provided to active members in their annual benefit statement to improve understanding and engagement. We have based these recommendations on member research undertaken by administering authorities represented on the CWG and on past practice.

Individual administering authorities can choose the format of their own statements. This guide does not include any recommendations about statement design or the order that data should appear in statements.

In [Part 2](#) you can find a list of data items for inclusion in annual benefit statements for active members. The table shows which data items must be included in an annual benefit statement, and which are optional. Our intention is for the list to be used as the basis for any standard data extract or report for annual benefit statements. The list could also form the basis of any standard statement template produced.

From 2025 onwards, the estimated impact of the underpin should be reflected in the annual benefit statement figures. We have indicated in [Part 2](#) which figures should include the estimated final guarantee amount or survivor guarantee amount. [Part 2A](#) sets out the additional supporting data that is needed to calculate those guarantee amounts.

Legislation requires the inclusion of specific data items in annual benefit statements for active members. It also requires that some benefit calculations be explained. To add clarity, administering authorities are likely to provide additional supporting information to members when they issue annual benefit statements. [Part 3](#) of this guide sets out the additional information that must be provided when an annual benefit statement is issued. We have also listed additional information that we recommend administering authorities include.

Regulation 84 of the LGPS (Scotland) Regulations 2018 requires that administering authorities issue a benefit statement to all active, deferred and pension credit members. It specifies that they must issue these statements within five months of the end of the Scheme year – by 31 August.

The regulations are silent on what must be included in an annual benefit statement for a deferred member or a pension credit member. This guide does not cover those statements in detail. Some provisions of the LGPS (Scotland) Regulations 2018 and the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014 should be communicated to deferred and pension credit members. [Part 4](#) covers briefly what should be communicated in an annual benefit statement for a deferred or pension credit member.

Regulation 84(4) states that an annual benefit statement for an active member must be issued in accordance with section 14 of the Public Service Pensions Act 2013. Section 14 of that Act refers us to the Treasury Directions. A copy of The Public Service Pensions (information about Benefits) Directions 2014 (the Directions) is included in [Part 5](#).

The Directions cover what must be included in an active member annual benefit statement and this forms the basis of [Part 2](#) and [Part 3](#) of this guide.

The Directions also cover **how** a benefit statement may be provided to an active scheme member. It is becoming more common for administering authorities to make annual benefit statements for active members available online. Any annual benefit statement supplied online must comply with the requirements of paragraph 5 of the Directions:

A benefit information statement may only be provided by being sent to a person's electronic address or being made available on a website if the scheme manager is satisfied that the statement is provided in a manner-

- a) designed so that the person will be able to get access to, and store or print, the statement; and

- b) that takes into account the requirements of disabled persons.

Paragraphs 6 and 7 of the Directions cover what an administering authority must do the first time and each subsequent time an annual benefit statement is supplied by email or online.

Previous versions of this guide have reflected the fact that there was no requirement to provide both accrued pension values and a projection to NPA. This will change with the introduction of pensions dashboards. Value data for pensions dashboards must include both accrued and projected values. You can find the relevant extracts from The Pensions Dashboards Regulations 2022 in [Part 5](#).

All schemes in scope are required to be connected to the pensions dashboards ecosystem by the connection deadline of 31 October 2026. [DWP guidance on connection: the staged timetable](#) confirms that the 'connect by' date for public service pension schemes, including the LGPS, is 31 October 2025. Although the timetable set out in the guidance is not mandatory, DWP encourages schemes to follow the 'connect by' date unless there are exceptional circumstances that prevent them from doing so. We have therefore assumed that administering authorities will want to ensure that their annual benefit statements include the value data they will need to provide to dashboards from the 2025 year onwards.

Part 2 – Data for active member benefit statements

The table that follows is colour-coded and sets out:

- data administering authorities must include in an active member annual benefit statement (text in red)
- data administering authorities may choose to include in an active member annual benefit statement (text in blue)
- whether the figure should include the estimated final guarantee amount if the member is protected by the underpin from 2025 onwards (shaded in yellow)
- whether the figure should include the estimated survivor guarantee amount if the member is protected by the underpin from 2025 onwards (shaded in grey)
- additional data items that administering authorities may need to distribute or allocate the statements to the correct member or pension record (text in green)

It is specified in the table which category a data item falls into. The 'Notes' column includes a further explanation of the definition or calculation of a data item where this is needed.

Table 1: Data for active member annual benefit statements

Data item	Notes
Personal Details	
Title	Legislation does not specify what personal data must be included in the statement.
Initials	<p>Sufficient data must be included in the statement or in the report to ensure that:</p> <ul style="list-style-type: none"> the member can be identified if the member has multiple active pension accounts, the member can identify which pension account the statement relates to the statement can be matched with the correct record on the pension administration system and the statement can be distributed.
First name(s)	
Surname	
Address 1	
Address 2	
Address 3	
Address 4	
Address 5	
Post code	
Date of birth	
NI number	
Payroll number	
Reference number	
Employer on 31 March 20xx	
Job title	<p>Administering authorities may choose to move away from including a national insurance number, particularly if statements are posted to home addresses, but this data must be included in the data extract for matching purposes.</p>

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,

If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount

shaded grey: includes any estimated survivor guarantee amount.

Data item	Notes
Email address	For distribution purposes.
Section of scheme on 31 March 20xx	Tell the member what section of the Scheme the benefits projected to Normal Pension Age (NPA) have been based on. Including the section also allows the member to check that this information is correct.
Normal Pension Age	The statement includes benefits built up to 31 March, payable from NPA and the benefits projected to NPA. Inform the member what age or date these benefits are payable from.
Normal pension date	
Partnership status (recorded)	Administering authorities may have a choice on what survivor pension to quote in benefit statements for certain members.
Partnership status (used in calculation of survivor benefits)	<p>It is our recommendation that the survivor pension quoted in respect of a member who, according to records held by the administering authority, is married, in a civil partnership or has an eligible cohabiting partner is based on that relationship status.</p> <p>No survivor pension (other than a pension for an eligible child) is payable in respect of a member whose relationship status is single, divorced, widowed, widowed, civil partnership dissolved or civil partner deceased at the time of their death. Administering authorities may choose not to quote a survivor pension in respect of these members, nor in respect of those members whose relationship status is unknown. Alternatively, an administering authority may choose to quote the</p>

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If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Data item	Notes
	<p>survivor pension that would become payable if the member died as an active member of the Scheme and left a spouse.</p> <p>The statement must explain how survivor benefits are calculated. This explanation must include what relationship status the survivor pension quoted has been based on.</p>
Pensionable pay for year ending 31 March 20xx	
Final salary pay for year ending 31 March 20xx	<p>For councillors, this should be the career average pay under the 2009 Scheme, including RPI revaluation. Authorities should advise the member the date the career average pay has been revalued to.</p>
Date pensionable service started	<p>The date the member joined the LGPS in their current employment / office. This should be the latest date if the member has multiple periods of non-continuous pensionable service.</p>
Death benefits	
Lump sum death grant	<p>Death grant payable if the member had died on 31 March 20xx, based on 3 × APP</p>
APP used in death grant calculation	<p>It is unlikely that employers will supply an APP figure in their end of year returns. Estimated APP should be based on:</p> <ul style="list-style-type: none"> • annual pensionable pay (if the member worked a full year) or • part year pensionable pay scaled up to a full year (if a part year worked).

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If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Data item	Notes
Annual survivor's pension (before debit applied)	Annual survivor pension payable if the member had died as an active member on 31 March 20xx, including any estimated survivor guarantee amount.
Divorce debit to survivor's pension	Including revaluation to 31 March 20xx.
Annual survivor's pension	As above, after deduction of divorce debit.
Pre-15 survivor pension	If member had died on 31 March 20xx, not adjusted for any divorce debit.
2015 Scheme survivor pension	If member had died on 31 March 20xx, not adjusted for any divorce debit, including any estimated survivor guarantee amount.
Expression of wish details	Name of nominee(s) and percentage share.

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If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Benefits at 31 March

Annual pension at 31 March 20xx (before divorce or Annual Allowance (AA) debit applied)

Automatic tax free lump sum at 31 March 20xx (before divorce debit applied)

For a member under NPA on 31 March 20xx:

- unreduced benefits built up to 31 March 20xx
- including late retirement increases to NPA on pre-2015 benefits for members with an NPA greater than 65
- including any estimated final guarantee amount
- including additional pension (APC and ARC) purchased or awarded on or before 31 March 20xx, including revaluation up to 31 March 20xx
- including late retirement increases to pension derived from an ARC that would apply at NPA
- including added years purchased up to 31 March 20xx.

For a member over NPA on 31 March 20xx, as well as the above:

Including late retirement increases to pre-2015 benefits and 2015 Scheme benefits (including APCs and ARCs) that would have applied on 31 March 20xx.

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Divorce debit to pension	For a member under NPA on 31 March 20xx: Debit that would apply at NPA including pensions increase to 31 March 20xx and any adjustment for late retirement (if applicable).
Divorce debit to lump sum	
Annual Allowance Scheme pays debit	For a member over NPA on 31 March 20xx: Debit that would have applied had the member retired on 31 March 20xx including pensions increase and adjustment for late retirement.
Annual pension at 31 March 20xx	As above, but after the deduction of any divorce or AA Scheme pays debit.
Automatic tax free lump sum at 31 March 20xx	
Reduced pension at 31 March 20xx if maximum lump sum option taken	Based on figures after divorce or AA debit applied.
Increased tax free lump sum at 31 March 20xx if maximum lump sum option taken	

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Benefits at 31 March – supporting data

80ths service	<p>There is a requirement to supply details of how the member benefits are calculated. This section includes data that administering authorities may use to explain the calculation of the figures at 31 March – before any adjustment for early / late retirement or deduction of a divorce or AA scheme pays debit.</p>
Added years purchased (80ths)	
80ths pension	
60ths service	
Added years purchased (60ths)	
60ths pension	
ARC purchased (inc PI to 31/03/20xx)	
Total pre-2015 service	
Total pre-2015 pension	
Automatic lump sum	
2015 Scheme pension at 31 March previous year	
Revaluation amount April previous year	
2015 Scheme pay in year main section	
2015 Scheme pension in year main section	
2015 Scheme pay in year 50/50 section	

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 If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

2015 Scheme pension in year 50/50 section	
APC bought / awarded in year	
2015 Scheme transfer in completed in year	
Total 2015 Scheme pension build-up in year	
Total APC purchased / awarded (inc revaluation to 31/03/20xx)	
Total 2015 Scheme pension at 31 March 20xx	

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Projection to NPA	
Annual pension at NPA (before divorce or AA debit applied)	<p>Figures at NPA for a member under NPA on 31 March 20xx should include:</p> <ul style="list-style-type: none"> • late retirement increase on pre-2015 benefits • total APC pension that would be credited if ongoing contract(s) completed and including revaluation to date • total ARC pension that would be credited if ongoing contract(s) completed and including revaluation to date and late retirement increase • added years that would be purchased if ongoing contract completed • divorce debits including pensions increase to date (and adjusted for late retirement if applicable) • AA Scheme pays debit (adjusted for late retirement if applicable) • estimated final guarantee amount. <p>For a member over NPA on 31 March 20xx – repeat member figures provided in ‘Benefits at 31 March’ section, or blank.</p>
Automatic tax free lump sum at NPA (before divorce debit applied)	
Divorce debit to pension	
Divorce debit to lump sum	
Annual Allowance Scheme pays debit	
Annual pension at NPA (after divorce/AA debit)	
Automatic tax free lump sum at NPA (after divorce debit)	

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Projection to NPA – supporting data	
80ths service	<p>There is a requirement to supply details of how the member benefits are calculated. This section includes data that administering authorities may use to explain the calculation of the figures projected to NPA – before any adjustment for late retirement or deduction of a divorce or AA scheme pays debit.</p>
Added years purchased (80ths)	
80ths pension	
60ths service	
Added years purchased (60ths)	
60ths pension	
ARC purchased (inc PI to 31/03/20xx)	
Total pre-2015 service	
Total pre-2015 pension	
Automatic lump sum	
Total APC purchased / awarded at NPA (inc revaluation to date)	
Total 2015 Scheme pension	

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 If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Other information

Service history

Administering authorities may wish to include lines of service history for individuals with membership before 1 April 2015. Alternatively, they may wish to direct members to view details of their pre-2015 membership on a secure online portal.

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Part 2A – additional data for members protected by the underpin

From 2025, the figures included in an active member’s annual benefit statement should reflect their underpin protection. We expect SPPA to introduce a discretion that would allow administering authorities not to reflect underpin protection in 2025 statements for certain members or groups of members. [SPPA circular 2024/05](#) suggests that this will be for members / groups of members where the authority does not have the necessary information to be able to accurately reflect the underpin protection in the 2025 statement.

In this section we show the data items needed to calculate the relevant amounts. Administering authorities may choose to quote some of these figures in the statement. Any estimated final guarantee amount and/or estimated survivor guarantee amount should be included in certain figures listed in Part 2.

Data items shaded yellow	Must include the estimated final guarantee amount
Data items shaded grey	Must include the estimated survivor guarantee amount

Members protected by the underpin and under 2009 Scheme NPA on 31 March 20xx:

Estimated provisional assumed benefits	Assuming the underpin date was 31 March 20xx. For non-councillors, if a previous year’s pay has been used, for ABS purposes, include pensions increase in the estimated provisional underpin amount.
Estimated provisional underpin amount	
Estimated final assumed benefits	Based on retirement at NPA after leaving on 31 March 20xx assuming no pensions increase and no revaluation.
Estimated final underpin amount	Based on retirement at NPA after leaving on 31 March 20xx assuming no pensions increase after 31 March 20xx, including late retirement increase based on current factors.

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,

If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount

shaded grey: includes any estimated survivor guarantee amount.

Estimated final guarantee amount	If the estimated final underpin amount exceeds the estimated final assumed benefits, the difference between the two, otherwise 0.
Estimated survivor guarantee amount	If the estimated provisional underpin amount is greater than the estimated provisional assumed benefits, $60 \div 160 \times$ the difference, otherwise 0.
The estimated final underpin amount should be included in the annual pension figure at 31 March 20xx. The same estimated final guarantee amount should be included in the projected pension at NPA. There may be limited circumstances in which the figures will be different – when a member has an ongoing contract to pay APCs to buy back pension ‘lost’ in an unpaid absence during the remedy period, for example. The number of cases is likely to be very small. Using a single estimated final guarantee amount is likely to be easier to explain to members and this is the approach we recommend.	
Members protected by the underpin and over 2009 Scheme NPA on 31 March 20xx	
Provisional assumed benefits	Calculated on the member’s underpin date
Provisional underpin amount	Calculated on the member’s underpin date
Revalued assumed benefits to 31 March 20xx	Including revaluation and pensions increase to 31 March 20xx
Revalued underpin amount to 31 March 20xx	Including pensions increase to 31 March 20xx
Estimated final assumed benefits	On the later of 2015 Scheme NPA and 31 March 20xx - including revaluation and pensions increase to 31 March 20xx, and including late retirement increases if the member was over their 2015 Scheme NPA on 31 March 20xx.
Estimated final underpin amount	On the later of 2015 Scheme NPA and 31 March 20xx - including pensions increase to 31 March 20xx and including late retirement increases.

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Estimated final guarantee amount	If the estimated final underpin amount exceeds the estimated final assumed benefits, this is the difference between the two, otherwise 0.
Estimated survivor guarantee amount	If the revalued underpin amount is greater than the revalued assumed benefits, the estimated survivor guarantee amount is $60 \div 160 \times$ the difference, otherwise 0.

Items in **red**: compulsory, **blue**: optional, **green**: used for distribution purposes only,
 If the member is protected by the underpin - **shaded yellow**: includes or based on figures including any estimated final guarantee amount
shaded grey: includes any estimated survivor guarantee amount.

Part 3 – Notes in active member annual benefit statements

In addition to the data items listed in [Part 2](#), legislation and Treasury Directions require that administering authorities must supply further information in annual benefits statements for active members. This Part covers the additional information that must be supplied, and other information that administering authorities may choose to include to promote understanding of the statement and the Scheme.

Administering authorities may choose to include this information in the statement itself or in accompanying notes. This order of this Part is based on the order that data items appear in [Part 2](#). Administering authorities will need to tailor the contents and order of their notes to suit the format and order of their statements.

The legislation that we have referred to in writing this guide is reproduced in [Part 5](#). Parts 1 and 2 of Schedule 5 to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 stipulate what information must be included in an active member annual benefit statement. Based on our interpretation, any item which must be included in the statement or notes because of those regulations is followed by (Disc2013) in the list below.

In our view, the annual benefit statement for an active member or the accompanying notes should explain the following:

- a) If a member has more than one post in which they are an LGPS member, how they can identify which statement is for which post. This may include a reference to the name of the employer, pensionable start date, payroll number or other reference number.
- b) There are two sections of the Scheme – the main and the 50/50. State which section of the Scheme the projection to NPA has been based on. (Disc2013)
- c) What normal pension age (NPA) or normal pension date means, and that this may change in the future if the Government changes State Pension ages. Benefits can be taken any time between 55 (increasing to 57 from 6 April 2028) and 75, and an actuarial adjustment will apply if the benefits are taken before or after NPA. What benefits have been quoted if the member was already over their NPA on 31 March. (Disc2013)
- d) Member and survivor pre-2015 benefits quoted for non-councillors are based on current pay and no pay inflation has been assumed. Actual pre-2015

benefits will be based on final pay on leaving the Scheme, and could be higher or lower than those quoted.

- e) For councillors, the pre-2015 benefits quoted are based on the current career average pay with no future RPI inflation assumed. Administering authorities should outline the date the current career average pay was calculated as at and to what date it has been revalued by RPI. Actual pre-2015 benefits will be based on the final career average pay, which could be higher or lower than that quoted.
- f) Actual pre-2015 benefits will only be shown for a member who joined the Scheme before 1 April 2015, or, for non-councillors, has completed a transfer from a Club scheme and all or part of the transfer value bought final salary membership in the LGPS. (Disc2013)
- g) Member and survivor 2015 Scheme benefits include revaluation up to the previous April only. If a projection has been provided, it is based on pensionable pay for the year ending 31 March 20xx (or an estimated annual rate for mid-year joiners). The projection is based on the section of the scheme the member was in on 31 March and the assumption that the member's pay will remain constant to their NPA. No account has been taken of future wage inflation or future Treasury Revaluation Orders. For non-councillors, if the member was on reduced contractual pay or no pay due to sickness or relevant child related leave for any part of the year ending 31 March, Assumed Pensionable Pay has been included in the pensionable pay figure for that period. (Disc2013)
- h) If the member has a certificate of protection, the figures in the statement do not take this into account.
- i) What to do if a member identifies an error in the personal details or salary information in the statement.
- j) How the death grant is calculated. Including a warning that a different death grant may be payable if the member has previous membership of the LGPS in Scotland. If the member has:
 - a deferred benefit and/or
 - a pension in payment

then the greater of the death in service grant and the total death grants payable from the earlier membership(s) would be paid. (Disc2013)

- k) The administering authority makes the final decision on who will receive any death grant. They will take into account the member's wishes – include what the member should do to check and update expression of wish details.
- l) How the annual survivor pension is calculated, including:
- whether the survivor pension is based on the assumption that the member is married or in a civil partnership (if they are currently single or their marital status is unknown)
 - that no survivor pension (other than to an eligible child) will be paid if the member is single and is not survived by an eligible cohabiting partner
 - a warning that the survivor benefit payable to a surviving pre-leaving spouse or civil partner is based on all membership, the survivor benefit payable to:
 - an eligible cohabiting partner will not include any membership before 6 April 1988 (unless the member made an election before 1 April 2015 to pay extra for some or all their pre-6 April 1988 membership to count)
 - a survivor of a post leaving marriage or a civil partner of a post leaving civil partnership will not include any pre-6 April 1978 membership (this doesn't apply for councillor members, where all membership is used for post leaving marriages / civil partnerships).

The notes will need to explain the formula for calculating the survivor benefits. The notes should specify that the survivor benefits will be based on any pre-2015 benefits, added years being purchased, ARCs that include survivors' benefits, plus the survivor benefits due under the 2015 Scheme (including the enhancement based on $APP \times 1/160th \times \text{period from 1 April to member's NPA and added pension for lost pension}$). (Disc2013)

The notes should explain that there are pensions payable to eligible children. (Disc2013)

- m) Administering authorities may choose to include expression of wish for death grant details. The notes should explain that an expression of wish allows members to let the administering authority know who they would like any death grant to be paid to. The notes should also confirm that the administering

authority retains absolute discretion over who to make the payment to. We recommend that information on how to check and update expression of wish details are also included.

- n) Whether the figures / which figures have been adjusted to take account of a reduction due to a pension sharing order and/or an annual allowance scheme pays (AASP) debit. That the pension sharing debit / AASP debit has been based on the assumption that the member retires at their NPA. The debit will be adjusted if the member retires at an earlier or later date to account for the longer or shorter recovery period. (Disc2013)
- o) How the member benefits at 31 March 20xx are calculated and when they are payable. A late retirement increase has been applied to any pre-2015 benefits of a member below NPA, and to all the benefits of a member over NPA on 31 March 20xx. The late retirement increase is based on the factors currently in force, which may be different when the member takes their benefits. (Disc2013)
- p) Member option to exchange pension for tax-free cash when they take their pension (if post-commutation figures have been provided).
- q) Members require two years' Scheme membership to qualify for a pension in the LGPS. However, in certain circumstances, members with less than two years' Scheme membership can also qualify. For example, where the member has transferred in benefits from a different pension scheme in which the member could not have taken a refund. Benefits at 31 March 20xx are provided for information only. If a member leaves with less than two years' membership, they may not qualify for benefits and will generally be able to opt for a refund of contributions.
- r) A transfer of previous pension rights will be reflected in the figures only if it was completed by 31 March 20xx. A transfer completed after that date will be included in the statement issued in the next year.
- s) Benefits projected to NPA are based on the assumption that the member remains in their current employment / office with no change in pensionable pay until their NPA. Confirm what figures (if any) are provided in this section for a member who was already over their NPA on 31 March 20xx. (Disc2013)
- t) Paying extra – figures at 31 March 20xx include any extra pension bought under an APC or ARC contract, or added membership bought under an added

years contract by that date. If any contract is ongoing, the figures projected to NPA are based on the assumption that the ongoing contract is completed.

- u) If the member has pre-2015 benefits and/or McCloud protection, it is important that they can check the service details used to calculate their pension. If lines of service history are shown in the statement, explain that only a maximum of ten lines (or however many you have chosen) have been displayed. All membership before 1 April 2015 is used to work out the member's pre-2015 benefits, even if it has not been possible to display the entire membership history. Administering authorities may instead wish to direct members to an online portal to check the service details held on their pension record. It is particularly important that members protected by the McCloud remedy are directed to check the relevant service information.
- v) Whether the member is protected by the McCloud remedy.
- w) If the member is protected by the McCloud remedy, information about what that means or where to find that information.
- x) If an estimated final guarantee amount (and estimated survivor guarantee amount) has been included in the member (and survivor) pension, we recommend telling the member the amount that has been added. The notes should explain that any such addition is not guaranteed. The actual final guarantee amount (and survivor guarantee amount) payable will be worked out when they take their pension. The amount added may be higher or lower than the amount quoted, or no guarantee amount may be paid. The LGA will work with the Communications Working Group on wording to add to statements from 2025 onwards.
- y) Some members with LGPS membership built up in the remedy period will appear not to be protected by the McCloud remedy. This will be the case if:
 - there is no evidence that the individual was a member of the LGPS or another public service pension scheme before 1 April 2012, or
 - the individual was a member of the LGPS or another public service pension scheme before 1 April 2012, but there appears to have been a disqualifying gap.

Members in this group should be given the opportunity to inform the administering authority of any relevant pension scheme membership. The notes should inform the member how to do this.

z) (2025 statements only) If the administering authority has exercised its discretion not to reflect McCloud protection in a member's 2025 statement, inform the member about this decision.

aa) If an annual benefit statement is being published online, administering authorities must take into account 'the requirements of disabled persons'. We also recommend that the notes or notification email includes clear instructions about how to obtain a suitable accessible version that meets the member's needs.

Part 4 – Annual benefit statements for deferred members

Regulation 84(4) of the LGPS (Scotland) Regulations 2018 only specifies that a benefit statement for an active member must comply with Treasury Directions issued under section 14 of the Public Service Pensions Act 2013. The regulations are silent on what must be included in an annual benefit statement provided to a deferred member.

Regulation 16 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 does not apply to benefit statements for deferred members because that regulation only applies to individual requests for a 'statement of benefits'. It does not apply to automatically produced annual benefit statements. Neither the requirements set out in parts 2 to 4 of Schedule 5 to those Regulations (information to be included in the 'statement of benefits') nor the requirements of regulations 26 to 30 of those Regulations (how the information is to be communicated to the member) have to be complied with when automatically producing an annual benefit statement.

There are a number of issues that administering authorities need to consider when they produce annual benefit statements for deferred members.

It is not possible to quote a specific NPA on annual benefit statements issued to deferred members who left after 31 March 2015. These statements will have to state that:

- the normal payable age for benefits built up after 31 March 2015 is the member's State Pension age (with a minimum of age 65)
- the member's normal pension age is currently [ddmmyyyy] and
- this may change in the future as and when the UK Government changes State Pension ages.

Any death grant shown should include a warning that the death grant would be payable if the member is not currently a member of the LGPS in Scotland. If the individual is currently an active member of the LGPS in Scotland, the death grant payable would be the greater of:

- the total death grant from all deferred benefits and pensions in payment, or
- three times their pay (Assumed Pensionable Pay) in their active membership.

The annual benefit statement should contain a statement to the effect that if the deferred member re-joins, or has re-joined, the LGPS in Scotland they must, if they have not already done so:

- a) notify the administering authority of the fund in which they are an active member that they have a deferred benefit in another LGPS fund in Scotland,
- b) notify the administering authority of the fund in which they are an active member of any intervening service in any other public service pension scheme (even if they have completed a transfer out of their benefits in respect of that service to a non-public sector pension scheme) and
- c) notify the fund in which the deferred benefit is held that they are an active member in another LGPS fund in Scotland.

(a) and (c) are required to ensure the member is given the appropriate options regarding aggregation of their benefits. Failure to comply with (b) could lead to certain statutory rights not being applied to the member. For example, for non-councillor members, not applying a final salary link if the member aggregates pre 1 April 2015 membership from the LGPS in Scotland.

McCloud protection and deferred benefit statements

Many of the requirements related to McCloud protection that apply to active benefit statements also apply to deferred members:

- **Members who appear not to be protected by McCloud** should be given the opportunity to let the administering authority know about membership of a different public service pension scheme. This will include deferred members with benefits:

- built up in the LGPS between 1 April 2015 and 31 March 2022, or
- benefits in another public service pension scheme built up between 1 April 2015 and 31 March 2022 transferred to the LGPS

but the member does not appear to be protected by the McCloud remedy. This would apply if it appears that the member first joined the LGPS or a different pension scheme after 1 April 2012, or joined before that date but has had a disqualifying break.

- **Members protected by McCloud** should be given the opportunity to check the service information in the period 1 April 2015 to 31 March 2022 used to work out their pension.
- **Inform the member if they are protected by the McCloud remedy**, what that means and where to find more information.
- **2025 statements – discretion not to reflect McCloud protection** – inform the member if the administering authority has exercised this discretion.

For members under their 2015 scheme NPA on the pensions increase (PI) date, the annual pension figure quoted in a deferred benefit statement should include any final guarantee amount that would be paid based on retirement at NPA.

If a survivor pension is quoted, it should include the estimated current value of the survivor guarantee amount.

Deferred members who are over their 2015 scheme NPA on the PI date pose a problem. It would not seem appropriate to calculate McCloud figures based on 31 March, as this is before the date that the pensions increase applies. It seems that a different date must therefore be adopted to work out any estimated final guarantee amount. We will continue to raise this issue with SPPA and update this guide when a decision has been made.

Part 5 – Regulations

This section includes extracts from, and links to the legislation that we have referred to in producing this guide.

Local Government Pension Scheme (Scotland) Regulations 2018

84. (1) An administering authority must issue an annual benefit statement to each of its active, deferred and pension credit members.

(2) Subject to paragraph (3), the statement must be issued no later than five months after the end of the Scheme year to which it relates.

(3) A statement must be issued before the end of the five month period mentioned in paragraph (2) where a member makes a request in writing to the administering authority, unless that authority is unable to comply with the request because relevant data is not available.

(4) The statement for an active member must be provided in accordance with section 14 of the Public Service Pensions Act 2013

Public Service Pensions Act 2013

14 Information about benefits

(1) Scheme regulations must require the scheme manager for a scheme under section 1 which is a defined benefits scheme to provide benefit information statements to each person in pensionable service under the scheme in accordance with this section.

(2) A benefit information statement must include—

(a) a description of the benefits earned by the person in respect of his or her pensionable service, and

(b) such other information as Treasury directions may specify.

(3) The information included in a benefit information statement must comply with such requirements as Treasury directions may specify.

[The Public Service Pensions \(Information about Benefits\) Directions 2014](#)

The Treasury, in exercise of the powers conferred by section 14(2), (3) and (6) of the Public Service Pensions Act 2013(a), make the following Directions.

Citation, commencement and interpretation

1.—(1) These Directions may be cited as the Public Service Pensions (Information about Benefits) Directions 2014, and come into force on 1st April 2015.

(2) In these Directions:

“benefit information statement”, in relation to a scheme under section 1 of the Act or a new public body pension scheme, means a statement issued in accordance with the provisions of section 14 of the Act;

“the Act” means the Public Service Pensions Act 2013; and

any term in these Directions that is defined in the Act has the same meaning as in the Act.

Information to be included in benefit information statements

2. A benefit information statement provided by the scheme manager for a scheme under section 1 of the Act or a new public body pension scheme to a person in pensionable service under such a scheme must include the information listed in Parts 1 and 2 of Schedule 5 (statement of benefits: non money purchase benefits) to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013(b) in relation to pensionable service—

(a) under the scheme, and

(b) under any statutory pension scheme that is connected to it.

Manner of provision of benefit information statements

3. The manner in which a benefit information statement is provided may include any of the following—

(a) by hand;

(b) by sending it to the person's last known postal address;

(c) subject to the requirements in directions 4 to 6, by sending it to the person's last known electronic address;

(d) subject to the requirements in directions 4, 5 and 7, by making it available on a website.

(a) 2013 c.25.

(b) S.I. 2013/2734.

4. Where a benefit information statement is provided by being sent to a person's electronic address or made available on a website, the scheme manager must on request from the person concerned provide a copy of the statement to the person free of charge in a paper copy or a similar form capable of being read.

5. A benefit information statement may only be provided by being sent to a person's electronic address or being made available on a website if the scheme manager is satisfied that the statement is provided in a manner—

(a) designed so that the person will be able to get access to, and store or print, the statement; and

(b) that takes into account the requirements of disabled persons.

6. Where a person's electronic address is used for the first time to provide a benefit information statement to a person, the following information must first have been given to the person by hand or sent to the person's last known postal address—

(a) the manner in which the statement is to be provided; and

(b) an explanation of how to get access to and read the statement,

and each subsequent time an electronic address is used to provide a benefit information statement to the person, the information mentioned in paragraphs (a) and (b) must first have been given in such a manner as the scheme manager considers will bring that information to the person's attention.

7. Where a website is used for the first time to provide a benefit information statement to a person, the following information must first have been given to the person by hand or sent to the person's last known postal or electronic address—

(a) the manner in which the statement is to be provided; and

(b) an explanation of how to get access to and read the statement,

and each subsequent time a website is used to provide a benefit information statement to the person, the information mentioned in paragraphs (a) and (b) must first have been given in such a manner, including by sending it to the person's last known electronic address, as the scheme manager considers will bring that information to the person's attention.

8. A benefit information statement may be provided by the scheme manager in accordance with these Directions either directly or indirectly, through a third party.

Julian Kelly
Director, Public Spending
For H.M. Treasury

11 March 2014

[Occupational and Personal Pension Schemes \(Disclosure of Information\) Regulations 2013](#)

Schedule 5

PART 1 Information for active members

1. The amount of any benefits (and how they are calculated) that would be payable on a date specified by the trustees or managers of the scheme if the member of the scheme were to die in service.

2. One of the following amounts, chosen by the trustees or managers of the scheme, of the member's benefits and survivors' benefits calculated without regard to possible increases in the member's salary—

(a) the amounts that would be payable from the date benefits are payable if pensionable service were to end on a date specified by the trustees or managers of the scheme,

(b) the amounts that would be payable from the date benefits are payable if pensionable service were to end on the member attaining normal pension age, or

(c) the amounts that would be payable from the date benefits are payable if pensionable service were to end on a date agreed between the member and the trustees or managers of the scheme.

3. The amount of the member's pensionable remuneration on a date specified by the trustees or managers of the scheme.

PART 2 Information for active and deferred members

4. The date on which the member's pensionable service started.

5. A summary of the method for calculating the member's benefits and any survivors' benefits.

6. Details of how any deduction from benefits is calculated.

In a Scheme the size of the LGPS, it would not be feasible for administering authorities to provide a projection based on a date 'agreed between the member and the trustees or managers of the scheme' (2(c)).

Local Government Pension Scheme (Administration) (Scotland) Regulations 2008

Annual benefit statements

62.—(1) An administering authority must issue an annual benefit statement to each of its active, deferred and pension credit members.

...

(3) A statement must contain an illustration of the amount of benefit entitlement, in respect of the rights that may arise under the Scheme, which—

(a) has been accrued by the member at the relevant date; and

(b) in the case of an active member, is capable of being accrued by the active member if the active member remains in the Scheme until the active member's normal retirement age.

The Pensions Dashboards Regulations 2022

Schedule 3 Part 1

2.—(1) For members with benefits that are not money purchase benefits other than cash balance benefits, trustees or managers of the pension scheme must provide the following value data—

(a) for active members—

(i) an accrued value calculated in accordance with the scheme's rules and valued to the illustration date, as if the individual has reached their retirement date on the illustration date and without regard to possible increases in earnings;

(ii) a projected value calculated in accordance with the scheme's rules and without regard to possible increases in earnings, that would be payable from the date benefits are payable if pensionable service were to end on the member reaching their retirement date;

Regulation 26

26.—(1) Value data is the information required by this regulation and by Schedule 3.

(2) Trustees or managers must provide value data as specified in Part 1 of Schedule 3 (value data requirements), unless an exemption applies in respect of projected values under Part 2 of Schedule 3 (exemption from certain value data requirements).

(3) All value data specified in Part 1 of Schedule 3—

(a) must be from—

(i) a statement provided to the member within the last 13 months, even if the values in that statement were calculated more than 13 months ago and whether or not such a calculation was done in response to an earlier view request, or

(ii) a calculation performed for the member within the last 12 months, whether or not such a calculation was done in response to an earlier view request;

(b) must have the same illustration date.

Quoting early retirement benefits

Some administering authorities quote the benefits payable on early retirement. Most commonly, actuarially reduced figures were provided for members who were over age 55 on 31 March.

Some administering authorities have developed a bespoke data extract for annual benefit statements that includes a wider variety of projected figures. It would not be reasonable to recommend that all administering authorities adopt this approach, due to the technical demands involved.

We have updated this guide because of the requirement to reflect underpin protection and pensions dashboards requirements in annual benefit statements from 2025 onwards. We do not include the early retirement figures for members over 55 on 31 March from Part 2 of this guide. For members protected by the underpin, any estimated final guarantee amount payable on early retirement would be different

from the amount payable at NPA. It would be very difficult to explain this difference to members. As there is no requirement to provide actuarially reduced figures, we think it is appropriate to not include them in the standard data extract.

Some administering authorities may continue to supply actuarially reduced figures in their statements. If they do, the table below shows the data we think they would need if they wanted to provide early retirement figures for members over age 55 on 31 March. A separate data set would be needed if they choose to supply projected early retirement figures. The administering authority may choose instead not to include underpin figures in this section. This would need to be explained to members. We have not included pension debits or annual allowance debits in this section, nor have we considered survivor pensions. Any administering authority that chooses to supply actuarially reduced figures must decide whether to reflect debits in the figures, and whether to provide a survivor pension amount. The notes that accompany the statement must explain clearly what the figures show.

Data item	Description
Estimated final underpin amount	Based on actual or estimated provisional underpin amount at 31/03/xxxx, after actuarial adjustment for early or late payment
Estimated final assumed benefits	Based on actual or estimated provisional assumed benefits at 31/03/xxxx, after actuarial reduction for early payment
Estimated final guarantee amount	If the estimated final underpin amount exceeds the estimated final assumed benefits, the difference between the two, otherwise 0
Actuarially reduced 2015 Scheme pension at 31/03/xxxx	
Actuarially adjusted pre-2015 pension at 31/03/xxxx	Reduced for early payment if the member was under 65, increased for late retirement if they were over 65 on 31/03/xxxx

Data item	Description
Total actuarially adjusted pension on 31/03/xxxx	Sum of the previous two figures, plus the estimated final guarantee amount
Actuarially adjusted lump sum	Reduced for early payment if the member was under 65, increased for late retirement if they were over 65 on 31/03/xxxx
Reduced pension if maximum lump sum taken	Based on pension including actuarial adjustment and estimated final guarantee amount
Maximum lump sum	Based on pension including actuarial adjustment and estimated final guarantee amount

Disclaimer

This document has been prepared based on the LGPC Secretariat's understanding of the information presently available including the relevant Statutory Instruments governing the Local Government Pension Scheme, associated overriding legislation and relevant draft legislation. It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility whatsoever will be assumed by the Local Government Association for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information in this guide.