

Internal Dispute Resolution Procedure (IDRP)

December 2025

A guide for Scheme employers

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Introduction

Over the course of a Local Government Pension Scheme (LGPS) Scheme member's employment and even after they have left, certain decisions are made that can affect the Scheme member's benefits. The law provides the Scheme member with the opportunity to challenge decisions that they disagree with. Within the LGPS we have a formal Internal Dispute Resolution Procedure (IDRP) to enable this to happen.

The purpose of this guide is to help Scheme employers understand their responsibilities as an employer within the formal dispute process under the LGPS.

Decision making process of scheme employers or an administering authority

Throughout an individual's membership of the scheme the rules of the LGPS require decisions to be taken by both the Scheme employer and the administering authority which will affect the benefits of a Scheme member or their dependants may be entitled to receive. We call these **"first instance decisions"**.

It is very important that you as a Scheme employer understand the decisions that you and the administering authority are responsible for.

The key decisions are summarised below:

Scheme Employer decisions

- Whether an employee is eligible to join the scheme;
 - What elements of pensions pay are to be treated as pensionable;
 - Calculating final pay (including CARE pay and assumed pensionable pay) to be used in calculating pension benefits;
 - Deciding an employee contribution rate;
 - Deciding an employee's entitlement to benefit on leaving the scheme for whatever reason;
 - Exercising a number of Scheme employer specific discretions (e.g. entitlement to early release of pension benefits, waiving actuarial reductions); or
 - Any other Scheme employer decision that affects an employee pension rights.
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Obligation to inform the scheme member

Whenever you inform the Scheme member of a decision (by email or letter) you must include a specific reference to the individual's right to have that decision referred to the stage 1 IDRP adjudicator. There is certain information that must be provided as part of this:

- Stage 1 IDRPs adjudicator's job title;
- The address at which he or she can be contacted; and
- The time limits within which the rights under the Regulations may be exercised.

You must also provide a clear reference to the fact that the individual is able to seek the support of MoneyHelper (formerly known as the Pensions Advisory Service) in helping to resolve any dispute.

[Annex B - specimen IDRPs first instant decision letter \(link\)](#)

You can use this wording in any decision letter issued to a Scheme member, highlighting their right of appeal under the LGPS formal IDRPs.

Informal settlement of disputes

Avoiding appeals

Where a Scheme member is clearly unhappy with a decision and may resort to the formal IDRPs in the absence of any further action by the body that took the decision, it makes sense for an appropriate person from the Scheme employer to offer the member further information of the reasons for the decision, perhaps at an informal meeting.

In some instances, where the issues are not complex, this recognition of their concerns, and the opportunity to understand more about the decision, may be enough to satisfy the complainant.

Unresolved informal disputes

Sometimes, informal attempts to resolve disagreements fail. The Scheme employer has a statutory right to then investigate the formal IDRPs which we will cover in the next sections. Once this course of action is embarked on, detailed investigations will take place into not only the decision made but the process involved in reaching those decisions.

<p>Please note: It is vitally important, however, that individuals are NOT discouraged from submitting an appeal via an IDRPs where an informal discussion has not resulted in a satisfactory resolution. Such practices could result in fines or other sanctions handed to you from the Pensions Regulator.</p>
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General right of appeal

The right to invoke the formal process is open not only to Scheme members themselves:

Who may appeal?

- A Scheme member or a prospective Scheme member.
- A widow or widower of the Scheme member.
- A surviving civil partner of the deceased.
- A cohabiting partner.
- The deceased Scheme member's dependants.
- The Scheme member's representative.

When and why can the applicant appeal?

- A Scheme member (or alternative applicant) may appeal against any decision made by the Scheme employer or the administering authority that affects that Scheme member's rights or benefits under the scheme, or against any other act or admission by the bodies.
- The Scheme member must appeal within six months of the date they are notified of that decision, or from the date of the act or omission- *the adjudicator has discretion to extend this time limit.*
- The Scheme member has a further right of appeal to the administering authority if dissatisfied with the adjudicator's decision.

Exceptions to the procedure

The formal appeal process does not apply if, in respect of the complaint or dispute:

- proceedings have begun in any court or tribunal; or
- the Pensions Ombudsman has commenced an investigation.

The formal internal appeal process is in two stages:

- Stage 1 is looked at by a person who is the first instance decision maker who has been appointed to look at these cases.
- Stage 2 is looked at by the Staffordshire Pension Fund.

[A flowchart of the appeal procedure is included at Annex A](#)

These two stages are dealt with in more detail in the following sections.

Stage 1 - Appeal to person that made the original decision.

Scheme Employer responsibility - appointing a stage 1 adjudicator

Under the stage 1 of the IDRP, Scheme employers are required to appoint an adjudicator to consider each dispute received.

There is no specific requirement set out in any legislation regarding the qualification of the stage 1 adjudicator only that one has to be appointed. In reality, and for best practice, it would be expected that the person chosen should:

- be independent of the original decision-making process;
- be able to confirm they have no conflict of interest in considering any pension dispute;
- have sufficient experience to understand the details of the dispute before them, enabling them to make a determination; and
- have the capacity to perform the role.

The administering authority cannot specify who your stage 1 adjudicator should be, although it is important that you do confirm the name, job title and contact details of your stage 1 adjudicator to the Staffordshire Pension Fund.

When making your appointment you might consider a suitable person to be your solicitor, human resources manager or payroll manager. The person does not have to be an employee or elected member of the authority.

Please note: It is important, once your stage 1 adjudicator is in place, to ensure you include their job title and contact details in any decision notifications you issue. It is also essential that person is free to act independently of the matter under consideration and can satisfy all parties they have no conflict of interest in considering the dispute.

Timescale for making an appeal application

The applicant must submit their application within six months of the date they are notified of the decision which they wish to appeal. *Your stage 1 adjudicator has the discretion to extend this time limit if they believe there is reason to do so.*

How should they apply?

Applications under stage 1 should be made to the adjudicator in writing signed on or on behalf of the applicant. Each applicant must include:

- The applicants full name, national insurance number, address and date of birth;
- If the applicant is not a Scheme member, their relationship to the Scheme member, the Scheme members full name, address, date of birth, national insurance number and the name of the member's Scheme employer;
- A statement giving details of the nature of the disagreement and the reasons why the applicant is aggrieved; and
- A copy of the decision in dispute.

Please note: On receipt the adjudicator should acknowledge the application and at the same time advise the applicant that MoneyHelper (formerly known as the Pensions Advisory Service) is available to help them if required.

[A specimen acknowledgement letter is included in Annex C \(link\)](#)

Considering Stage 1 appeals

The purpose of the first stage of the IDRP is to carry out a formal review of the decision of the organisation that is being disputed. It is an opportunity to reconsider the facts of the case, in particular:

- To ensure the LGPS Regulations as well as any overriding legislation has been correctly applied;
- The correct procedures followed and, importantly evidenced;
- Consider all facts, reports, background information before reaching a decision;
- Request further evidence if necessary;
- Determine whether any relevant facts or evidence were omitted or overlooked;
- The adjudicator must provide a determination within two months of receipt of the appeal; and
- If not, the adjudicator must write to the applicant immediately explaining the reason for delay and confirm when the determination will be made.

It is not possible for the stage 1 adjudicator to alter the original decision. Where applicable the adjudicator would be expected to refer the matter back to the organisation that took the original decision, where it is considered that the original decision is flawed, setting out the actions the adjudicator would expect to see undertaken.

Notice of stage 1 decision

Within two months of receiving the appeal (or such longer period as the stage 1 adjudicator has provided written confirmation of an extension to the time limits) the stage 1 adjudicator **MUST** provide a written notice of their decision. This notice **MUST** be sent to:

- The applicant (and /or his/her personal representative);
- The Scheme employer; and
- Staffordshire Pension Fund.

The decision notice must include the following:

- The question of determination;
- Evidence received and considered;
- The decision (see note below);
- A reference to any legislation or scheme provision that it relies upon;
- Where relevant, a reference to the scheme provisions conferring the discretion that has caused the disagreement;
- A reference to the applicants right to have their disagreement reconsidered by the administering authority providing the necessary contact details;
- The time limits for making a stage 2 appeal; and
- A statement that The Pensions Ombudsman (TPO) is available to assist the member with any difficulty with the scheme which remains unresolved, and the address for TPO.

Important points to note

- The adjudicator cannot make a determination outside the provision of the regulations.
- The adjudicator cannot make an award of compensation.
- A successful appeal only applies to that particular case.
- Unless the applicant refers the decision to the adjudicator of the Staffordshire Pension Fund for determination, then the decision raised by the adjudicator is final and binding on the Scheme employer.
- It is important that Scheme employers keep comprehensive records, including evidence of how and why first instance decisions were reached, in the event of an appeal from Scheme members.

[A specimen stage 1 determination letter wording is available in Annex D \(link\)](#)

Consideration of medical appeals

If a dispute over ill health has emerged, it would be sensible for a Scheme employer to first check that all the regulatory requirements have been complied with. If they have not, a fresh decision needs to be made.

- Has a qualified, approved medical practitioner been used to assess the member's eligibility?
- Has the medical practitioner clearly stated that the member is not assessed as permanently incapable?
- Has the medical practitioner paid due consideration to the duties of the post?
- Has the medical practitioner considered reports from the member's GP, consultants etc. in arriving at that decision?
- Has the medical practitioner made a recommendation in accordance with the LGPS regulations?
- Has the Scheme employer made their decision having considered all relevant evidence?
- Has the Scheme employer asked all the necessary questions to have satisfied themselves before reaching any decision?

It is not the role of the adjudicator to question the opinion of a suitably qualified, approved medical practitioner. But the assessment must be in accordance with the eligibility criteria in the regulations.

Scheme Employer Discretions

Due to the scope of the Pensions Act 1995, the adjudicator at both stages 1 and 2 may be asked to consider a disagreement about the way in which a Scheme employer has exercised a discretionary power under both the LGPS Regulations and where they apply, the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

This will also cover those areas of discretion that Staffordshire County Council, as the administering authority, are required to make any decision on.

In such cases, the role of the person deciding the disagreement is not to overturn the initial decision but to ensure that the discretion has been exercised reasonably, and in cases where this is found not to be the case, to determine that the matter be reconsidered in a proper manner.

[A specimen stage 1 determination letter wording is available in Annex D \(link\)](#)

Stage 2 - Referral to the administering authority where not satisfied with the original determination.

This is carried out where:

- The applicant is dissatisfied with the stage 1 adjudicator's decision;
- The adjudicator has failed to issue either a decision, or a letter of explanation, within two months from the date on which the application was made; or
- An interim letter of explanation was sent, but the adjudicator has failed to subsequently issue a decision.

Timescale for making an application

The applicant must submit their application within six months of the date they are notified of the decision which they wish to appeal, or from the date of the act or omission. As with stage 1, the stage 2 adjudicator also has the discretion to extend this time limit if they believe there is reason to do so.

Purpose of stage 2 adjudication

The purpose of the second stage of the IDRP is to enable the applicant to refer their complaint to the administering authority for an independent review, where they are dissatisfied with the decision of the stage 1 adjudicator.

An applicant can also refer their case to the stage 2 adjudicator where:

- the stage 1 adjudicator has failed to issue either a determination, or a letter extending the time limits, within two months from the date on which the application was made; or
- an interim letter extending the time limits was issued, but the stage 1 adjudicator then has failed to issue a determination.

It is important to note that the stage 2 adjudicator cannot replace a first instance decision of a Scheme employer. Consequently, they can only instruct that the Scheme employer reconsider its decision where either robust processes have not been followed, or a discretion has been exercised.

The decision of the stage 2 adjudicator is binding and can only be overturned by the Pensions Ombudsman or the High Court.

The stage 2 steps to follow

In reality the steps taken by the stage 2 adjudicator are the same as that at stage 1 or the IDRP.

Under stage 2 the adjudicator will reconsider the original determination, taking full account of the facts of the case and of any evidence submitted or relied on by either party at stage 1. They will also:

- check that the LGPS regulations were correctly applied;
 - ensure that sound, impartial procedures were used to reach the stage 1 determination;
 - ensure the original determination was consistent with other decisions reached and that it would stand up to external scrutiny; and
 - review that sound, impartial procedures were used to reach the decision (this is particularly important where the dispute concerns the exercise of a discretion by a Scheme employer or by the administering authority).
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Notice of a Stage 2 decision.

Within two months of receiving the appeal (or such longer period as the stage 2 adjudicator has provided written confirmation of an extension to the time limits) the stage 2 adjudicator **MUST** provide a written notice of their decision. The decision **MUST** be sent to:

- The applicant (and /or his/her personal representative); and
- The Scheme employer.

The determination notice must include the following

- The question of determination;
- Evidence received and considered;
- The decision;
- A reference to any legislation or scheme provision that it relies upon;
- Where relevant, a reference to the scheme provisions conferring the discretion that has caused the disagreement; and
- A statement that The Pensions Ombudsman (TPO) is available to assist the member with any difficulty with the scheme which remains unresolved, and the address for TPO.

[Annex E - A specimen Stage 2 determination letter \(link\)](#)

Beyond IDRP - the external appeal

Where a member remains dissatisfied after the IDRP has been exhausted, they can seek independent review of their appeal. The Pensions Ombudsman can review appeal decisions beyond the IDRP.

The Pension Ombudsman

Their role is:

- They will consider cases after the Scheme member's case has been through the scheme's two stage IDRP;
- They may investigate and determine any complaint or dispute of fact or law in relation to the scheme, made or referred to in accordance with the Pension Scheme Act 1993; and
- They can make awards of compensation for loss and for distress and inconvenience.

The determination of the Ombudsman is final and binding on all parties, subject only to an appeal on a point of law to the Chancery Division of the High Court.

Further points on appeals

As you can imagine, determining appeals is anything but straightforward, therefore Staffordshire Pension Fund is available to help Scheme employers with this task and will provide information on the process and regulations that may be involved.

However, Staffordshire Pension Fund cannot draft responses, advise upon decisions or become otherwise directly involved with an employer/adjudicator function.

It is important that employers keep comprehensive records in the event of an appeal from members.
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MoneyHelper (formerly known as the Pensions Advisory Service)

MoneyHelper is an independent, no profit organisation that provides free information advice and guidance on all types of pension scheme. Their role is primarily one of negotiation and advice and they are available to assist individuals and their dependants in connection with any pension difficulties they have failed to resolve.

It is important to be aware that MoneyHelper has no statutory power to impose any course of action or determination on an employer or the administration authority. They can though give an opinion to any individual as to whether they believe any complaint would be a case that the Pension Ombudsman might pursue.



<https://www.moneyhelper.org.uk>



<https://www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form>



120 Holborn, London EC1N 2DT



0800 011 3797

The Pensions Ombudsman (PO)

The Pensions Ombudsman is able to investigate and determine any allegation of maladministration or any dispute of fact of law in relation to the Local Government Pension Scheme made or referred in accordance with the Pension Scheme Act 1993. The Pensions Ombudsman will, however, only usually investigate cases which has been through stages 1 and 2 of the Internal Dispute Procedure.

A Pensions Ombudsman decision is binding on all parties and can only be challenged on a point of law in the Supreme Court.



<https://www.pensions-ombudsman.org.uk/>



enquiries@pensions-ombudsman.org.uk



10 South Collonade, Canary Wharf, E14 4PU



0800 917 4487 (10.00am – 2.00pm Monday to Friday)

Staffordshire Pension Fund contact details



www.staffspf.org.uk



pensions.enquiries@staffordshire.gov.uk

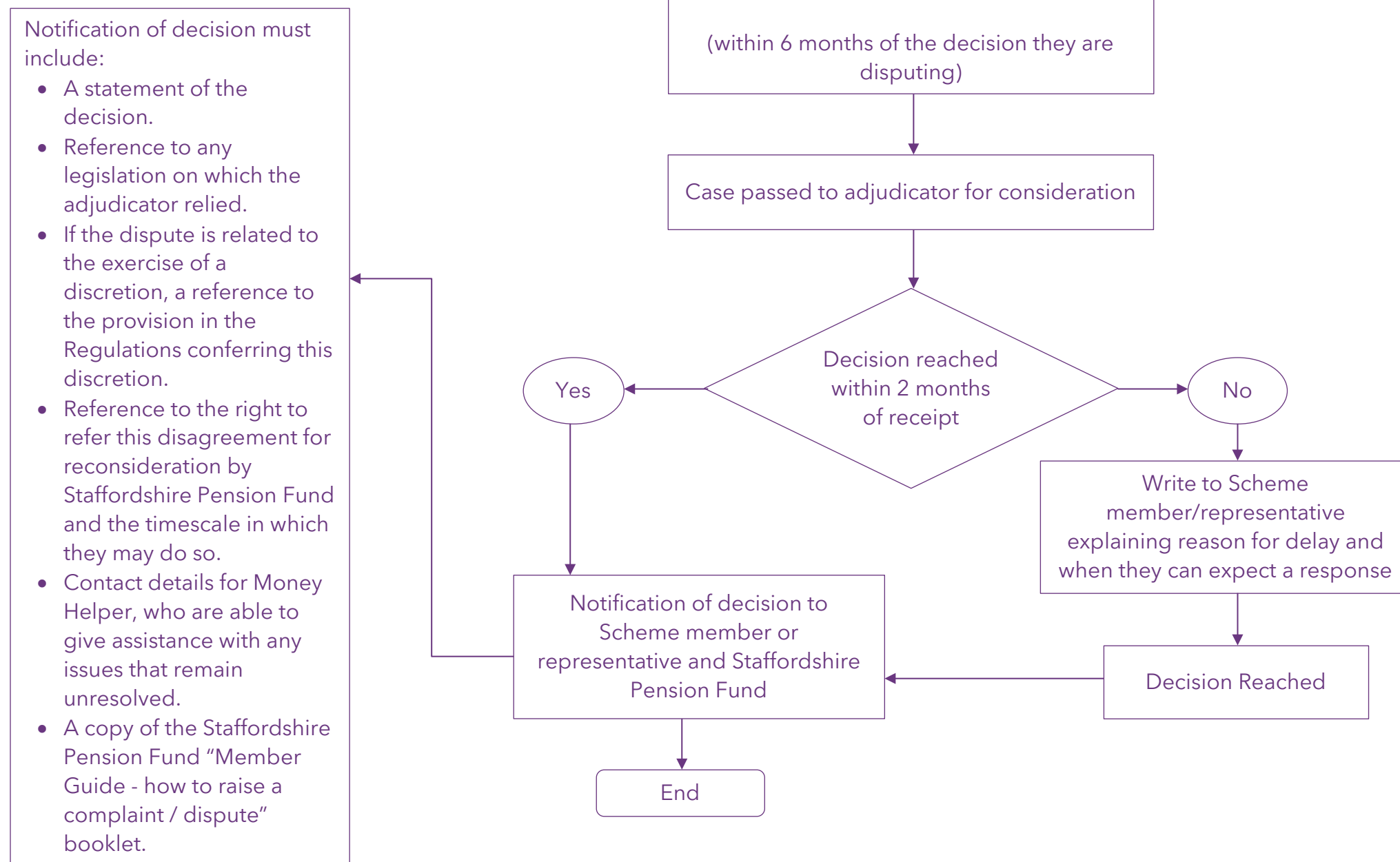


Staffordshire Pension Fund, 1 Staffordshire Place, Tipping Street, Stafford, ST16 2LP



01785 278222

Annex A - IDRP appeal procedure workflow



Annex B - Specimen IDRП first instant decision

The following wording could be used in any decision letter issued to a Scheme member, highlighting their right of appeal under the LGPS formal IDRП

Right of Appeal

If you are not satisfied with this decision, you should contact me for clarification and further explanation of the matter in question. Many misunderstandings or incorrect information can be explained or put right quickly and easily by doing this. If, following this, you are still not satisfied with the decision you have the right of appeal, within six months of this letter, to [enter name, job title and contact details of adjudicator].

MoneyHelper (formerly known as the Pensions Advisory Service) is available to assist Scheme members and beneficiaries in connection with difficulties they have failed to resolve. Their contact details are as follows:

Address: 120 Holborn, London EC1N 2DT

Telephone: 0800 011 3797

Website: <https://www.moneyhelper.org.uk>

The Pensions Ombudsman may investigate and determine any allegation of maladministration or any dispute of fact or law in relation to the Local Government Pension Scheme made or referred in accordance with the Pensions Scheme Act 1993.

The Pensions Ombudsman can be contacted at:

Address: 10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487 (10.00am to 2.00pm Monday to Friday)

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

The Pensions Ombudsman will, however, only usually investigate cases which have been through stages 1 and 2 of the Internal Dispute Procedure.

Yours sincerely,

Annex C - Specimen acknowledgement letter

The following wording could be used in an acknowledgement letter issued to a Scheme member

Dear xxx

Local Government Pension Scheme: Internal Dispute Resolution Procedure (IDRP)

Thank you for your application received on [date], enclosing information on your disagreement with [name of relevant body]. I have been appointed by [name of body] to make the stage one decision under the internal dispute resolution procedure.

I am required to make a decision within two months of receiving your application. If, for some reason, I am unable to comply with that timescale, I will write to you explaining the reason and the date by which I expect to make my final determination.

You can also ask the Pensions Ombudsman for assistance. The Ombudsman help Scheme members and beneficiaries of pension schemes with disputes they cannot resolve.

The Pensions Ombudsman will, however, only usually investigate cases which have been through stages 1 and 2 of the Internal Dispute Procedure.

The Pensions Ombudsman can be contacted at:

Address: 10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487 (10.00am to 2.00pm Monday to Friday)

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Yours sincerely,

Annex D - Specimen stage 1 decision letter

The following wording could be used in Stage 1 decision letter issued to a scheme member

Dear xxx

Local Government Pension Scheme: Internal Dispute Resolution Procedure (IDRP)

I have looked at the details of your disagreement and reached a decision under stage one of the IDRP. **Details should include:**

- The question of determination;
- Evidence received and considered;
- The decision;
- A reference to any legislation or scheme provision that it relies upon;
- Where relevant, a reference to the scheme provisions conferring the discretion that has caused the disagreement;
- A reference to the applicants right to have their disagreement reconsidered by the administering authority providing the necessary contact details; and
- The time limits for making a stage 2 appeal.

This concludes the first stage of the internal dispute resolution procedure. If you are not happy with my decision, you have the right to ask the Staffordshire Pension Fund to look at your complaint again.

You must do this in writing, within six months from the date of this letter. Further information on the grounds to make a complaint and an application form can be obtained from the Staffordshire Pension Fund Website: www.staffspf.org.uk

You can also ask the Pensions Ombudsman for assistance. The Ombudsman help members and beneficiaries of pension schemes with disputes they cannot resolve. The Pensions Ombudsman can be contacted at:

Address: 10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487 (10.00am to 2.00pm Monday to Friday)

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Copies of this determination have been sent to [name of body] as your employer/former employer and the Staffordshire Pension Fund.

Yours sincerely,

Annex E - Specimen stage 2 decision letter

The following wording could be used in Stage 2 decision letter issued to a Scheme member

Dear xxx

Local Government Pension Scheme: Internal Dispute Resolution Procedure (IDRP)

I refer to your appeal, under stage 2 of the Internal Disputes Resolution Procedure, against the decision at stage 1 by [insert name, job title and body], the adjudicator, not to uphold your complaint.

My role in making a determination on your complaint is to determine whether your Scheme employer has made their decision in accordance with the pension scheme regulations, that all relevant evidence has been taken into account and that the decision reached is not perverse. I have no powers to implement my own decision; however, I can require the Scheme employer to reconsider their decision if I consider that they have misdirected themselves or that their decision is perverse. In addition, I have no power to direct the Scheme employer to act outside the provisions of the regulations.

The determination notice must include the following

- the question of determination;
- evidence received and considered;
- the decision;
- a reference to any legislation or scheme provision that it relies upon;
- where relevant, a reference to the scheme provisions conferring the discretion that has caused the disagreement; and
- a statement that The Pensions Ombudsman (TPO) is available to assist the member with any difficulty with the scheme which remains unresolved, and the address for TPO.

This concludes the second stage of the internal dispute resolution procedure. The Pensions Ombudsman is available to assist Scheme members and beneficiaries of pension schemes in connection with difficulties you may have.

The Pensions Ombudsman can be contacted at:

Address: 10 South Colonnade, Canary Wharf, E14 4PU

Tel: 0800 917 4487 (10.00am to 2.00pm Monday to Friday)

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Having made my decision, I cannot enter into further correspondence with you; the decision can only be overturned by a judgement of the High Court or the Pensions Ombudsman. The Pension Ombudsman may investigate and determine any complaint of maladministration or dispute of fact or law or referred to him in accordance with the Pensions Schemes Act 1993.

Copies of this determination have been sent to [name of body] as your employer/former employer and the Staffordshire Pension Fund.

Yours sincerely,