



# Staffordshire Pension Fund

Local Government Pension Scheme

## Employer Focus

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**This bulletin from the Staffordshire Pension Fund, focuses on the current issues that you should be aware of relating to the Local Government Pension Scheme.**

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**Issue November 2025**

### **Consultation on the Fund's Funding Strategy Statement**

As part of the Actuarial Valuation 2025 process, a review has been undertaken of the Fund's Funding Strategy Statement (FSS).

The draft FSS includes the following key changes:

- An increase in the minimum likelihood of success (please refer to table 1 in section 2.2 of the FSS).
- The removal of the option for employers to pay strain cost in instalments.
- All individual Academies within a Multi Academy Trust will now be pooled for contribution rate setting.

We would welcome your feedback or questions on the draft FSS, and any comments will be used to help finalise the FSS before it is taken to the Pensions Committee for approval at their meeting on Friday 27 March 2026.

Please submit your responses to: [pensions.comms@staffordshire.gov.uk](mailto:pensions.comms@staffordshire.gov.uk)

A copy of the draft FSS has been published to our website:

<https://www.staffspf.org.uk/Finance-and-Investments/Funding-Strategy-Statement/Funding-Strategy-Statement.aspx>

#### **Action for Scheme employers**

If you wish to submit a response to the consultation, please ensure it reaches us by 31 January 2026.

## Actuarial Strain Costs for Early Retirement – Proposed changes to Recovery Period

When a Scheme employer agrees to the early retirement, from age 55, for an employee who is a member of the LGPS, this may lead to an actuarial strain cost on the Fund which is repayable by the Scheme employer. This typically occurs when a Scheme member's employment is terminated on grounds of redundancy, efficiency or flexible retirement (with "rule of 85" protections).

Usually, these actuarial strain payments will be paid upfront as a single lump sum. However, under certain circumstances, the Fund may have agreed with some Scheme employers for the actuarial strain payments to be spread over a period of 3 or 5 years, with interest chargeable.

Following the recent review of the Fund's Funding Strategy Statement (FSS), it is being proposed that the Staffordshire Pension Fund will no longer offer the option for actuarial strain payments to be paid in annual instalments. If approved, this change will take effect from 1 April 2026.

This means that any new requests for retirement estimates received with a leaving date of the 1 April 2026, or later, will only be provided with the option for the actuarial strain cost to be paid via a one-off lump sum payment. However, for any retirement estimates already provided with a leaving date before 31 March 2026, the Fund will honour the option for the strain payments to be spread, if applicable.

**Note:** Actuarial Strain costs relating to "no fault" events such as ill health retirements and death in service are not payable up front but instead are absorbed within the Scheme employer's ongoing contribution rate as part of the triennial actuarial valuation.

We would be grateful if you could circulate this information to appropriate colleagues in your organisation for example, Human Resources, Payroll and Finance Departments.

If you require any further information or clarification, please contact the Fund.

- Email: [pensions.comms@staffordshire.gov.uk](mailto:pensions.comms@staffordshire.gov.uk)
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## The 2025 valuation for academies – DfE ‘Power Hour’

On 26 September 2025, the Department for Education (DfE) ran a session on the 2025 valuation for academies. Representatives from administering authorities and actuaries provided a breakdown of the valuation process, shared key insights and answered questions from attendees. A live recording of the DfE’s LGPS Power Hour is available on YouTube. This can be accessed from the following link: <https://www.youtube.com/watch?v=gjNYzmA8v-U>

### Action for Academy employers

Share the link to the recording with any of your colleagues whom you feel it may be of interest.

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## My Pension Portal (MPP) Upgrade

On Monday 3 November 2025, the online [My Pension Portal \(MPP\)](#) for Scheme members was updated to a new platform.

As a result of the change, all existing MPP users are required to re-register for the new portal. Communications were sent out during the period 4 November 2025 to 10 November 2025 and 23.20% (9,015 of 38,852) of those individuals have successfully migrated.

Staffordshire Pension Fund will look to provide some promotional materials in the New Year to Scheme employers to assist in reminding any of their employees in the LGPS to make sure they register for MPP.

### Action for Scheme employers

Please continue to promote My Pension Portal with your employees via your internal mail system, intranet site, news bulletins, notice boards etc.

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## Additional Voluntary Contributions (AVC) – TUPE Transfer/Change of Scheme employer

We would like to highlight a couple of cases we have had recently involving Scheme members paying AVCs where the monthly deductions have not been correctly credited to their personal AVC plan following transfer of employment to a new Scheme employer.

The issue seems to be that the new employer/payroll provider did not set themselves up as a new site with the AVC provider and as a result they were unable to reconcile the pay over of additional voluntary contributions paid.

As a reminder, before the first payment of an AVC deduction is made from your payroll, you will first need to contact the AVC provider to setup a new Site name/code so they can correctly allocate the payment to the employee’s personal AVC plan. We have set out the process below for registering with

Standard Life as we currently only offer their AVC arrangement to new applicants. However, should an employee transfer to you with an active AVC Plan with Scottish Widows, please contact Staffordshire Pension Fund for further information on how to proceed.

For a new site that needs to be set up with Standard Life, you should send the following information to [EIS\\_Contributions@Standardlife.com](mailto:EIS_Contributions@Standardlife.com)

- Employer Name
- Contact Name
- Contact Address
- Contact Email Address
- Contact Telephone Number
- Bank account details: Name, sort code, account number.

Once the new site is set up, Standard Life will invite the designated contact to register with the Group Pension Zone to submit their schedules. Standard Life will also confirm the bank details you need to send the payments to and notify the contact when the payments can start.

#### **Action for Scheme employers**

If you are a new Scheme employer within the Fund, or you receive your first application from one of your employees to pay AVCs, please ensure you contact Standard Life to register your site details with them.

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### **New Staffordshire Pension Fund Website**

Further to the article in the [September 2025](#) edition of the newsletter, we want to let you know that a new Staffordshire Pension Fund website will be launched in January 2026.

The website will be moving to a new, more flexible and cost-effective platform which should help improve usability, accessibility, and digital engagement for users.

Existing website content will be migrated to the new platform and we are looking to put redirects in place for the most visited web pages. However, if you currently have access to the [Employers' Portal \(Forms and Documents\)](#) secure area, you will need to re-register to maintain access.

#### **Action for Scheme employers**

No immediate action is required. However, we will be in contact closer to the launch of the new website to provide instructions on how to maintain access to the secure (password protected) area for Scheme employers.

## LGPS 'Access and protections' consultation launched

On 13 October 2025, the Ministry for Housing, Communities and Local Government (MHCLG) launched a consultation on changes to the LGPS in England and Wales. The proposals relate to access to the Scheme and its benefits and cover four main areas:

- normal minimum pension age (NMPA).
- pension access for mayors and councillors.
- academies in the LGPS.
- new Fair Deal.

The Government has published draft regulations for comment covering new Fair Deal and pension access for mayors and councillors alongside the consultation.

Draft regulations covering NMPA and academies will be published for consultation later in 2025.

You can read the consultation document and access the draft regulations on the LGPS: Scheme improvements (access and protections) consultation page of the GOV.uk website:

- <https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections>

The key proposals are summarised below:

### **Normal minimum pension age**

Provisions of the Finance Act 2022 mean that some LGPS members have a protected pension age (PPA). The PPA rules do not give members an overriding right to take benefits from their PPA, they simply determine whether benefits paid under the pension scheme rules before the NMPA are authorised. Members can only take benefits from their PPA if the pension scheme rules allow it.

The Government is proposing changes that will allow certain members to continue to access their LGPS benefits before age 57 after the NMPA rises in April 2028. Our understanding of the four categories of members is:

- **Category 1:** Scheme members immediately before 4 November 2021. These Scheme members have a protected pension age (PPA) and will continue to be able to take LGPS benefits from age 55.
- **Category 2:** Scheme members who joined the LGPS after 3 November

2021 and transferred in benefits with a PPA from a different scheme. These Scheme members do not have a PPA in respect of their LGPS pension and will not be able to access their transferred in pension from age 55. From April 2028, the earliest a Category 2 member will be able to access their LGPS pension, other than on ill health grounds, will be age 57. The transferred in benefits retain a PPA. If the Scheme member transfers out of the LGPS, the transfer value of their pension with a PPA must be identified separately.

- **Category 3:** Scheme members who join the LGPS after 3 November 2021 do not have a PPA in the LGPS. Their NMPA will increase to 57 in April 2028.
- **Category 4:** Scheme members with a PPA below age 55. No change – Scheme members who are already able to take benefits between age 50 and 55 will continue to be able to do so.

### **Access for councillors and mayors**

- mayors and deputy mayors of combined authorities and combined county authorities, and mayors of single authorities (in their capacity as councillors not their role as mayors) will have access to the LGPS.
- councillors of county councils, district councils, London Boroughs, the Common Council of the City of London and the Council of the Isles of Scilly will have access to the LGPS.
- the Mayor of London, deputy mayors and London Assembly Members will have access to the LGPS.
- mayors and councillors will be able to opt in to the 2014 Scheme; membership will not be automatic.
- not all Scheme rules will apply to elected members in the same way that they apply to employees. There will be changes to the rules covering aggregation, redundancy, flexible retirement, shared cost additional contributions and awarding additional pension.
- these proposals do not affect councillors in Wales. They will continue to have access to the Scheme under the LGPS Regulations 1997.

### **Academies**

The Government is proposing changes to the rules covering applications by academies for a direction to substitute a different administering authority:

- removing the requirement for Secretary of State consent where criteria set out in regulations are met.
- those criteria will include:
  - a value for money assessment in favour of the application.
  - a pre-existing relationship between the multi academy trust and the administering authority it wishes to consolidate into.

- all administering authorities and employers involved agree to the change.
- the receiving authority is able to administer the transfer effectively.
- applications to the Secretary of State will still be required if the criteria are not met.

### **New Fair Deal**

Following consultations in 2016 and 2019, the Government is committed to extending protections set out in [2013 Fair Deal guidance](#) to LGPS Scheme members and individuals eligible for LGPS membership who are transferred to a new employer when a local government contract is outsourced. The proposals are summarised below and would apply to all LGPS Scheme employers except admission bodies and higher education corporations:

- the removal of the option to offer transferred employees' membership of a broadly comparable scheme but allowing existing schemes to continue in exceptional circumstances.
- on re-tender, staff who were outsourced under existing rules and are in a broadly comparable scheme will rejoin the LGPS. Transfers of benefits from the broadly comparable scheme to the LGPS for this group will operate under preferential terms.
- the option to give access to the LGPS to staff hired after the initial outsourcing.
- the removal of the admission body option when a contract is outsourced, replacing it with the deemed employer route.
- the organisation that has outsourced the service would be the 'deemed employer' and have continued pension responsibilities relating to the transferred staff.
- the service provider or 'relevant contractor' would have some responsibilities as an LGPS Scheme employer, such as dealing with applications to join or leave the Scheme, automatic enrolment duties, ill health retirement decisions and payment of any strain cost related to early retirements or award of additional pension.
- Scheme employer contribution rates would be based on the primary contribution rate of the deemed employer. This would either be fixed for the term of the contract or subject to change in line when the rate changes following the triennial valuation.
- protection for Scheme members with an ongoing shared cost additional pension contribution or shared cost additional voluntary contribution contract when they are compulsorily transferred to a new employer. The Government is seeking views on different options.
- a six-month transitional period during which contracts could be agreed under the existing rules rather than the new ones.

Staffordshire Pension Fund will submit a response to the consultation before it closes on 22 December 2025.

### **Action for Scheme employers**

Consider if you would like to submit response for your own organisation. This can be done via the [online survey](#).

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## **LGPS Statistics for 2024/25 published**

The Ministry for Housing, Communities and Local Government (MHCLG) has published the LGPS statistics for England and Wales 2024 to 2025.

Highlights in the report include:

- total expenditure of £19.1 billion, an increase of 11.7 per cent on 2023/24.
- total income of £21.7 billion, an increase of 5.2 per cent on 2023/24.
- employer contributions of £10.1 billion, a decrease of 3.9 per cent on 2023/24.
- employee contributions of £3.2 billion, an increase of 5.8 per cent on 2023/24.
- the market value of LGPS funds on 31 March 2025 was £402.3 billion, a 2.7 per cent increase compared to 31 March 2024.
- 110,678 retirements in 2024/25, an increase of 11.2 per cent on the number of retirements in 2023/24.

The full report can be accessed from the gov.uk website:

<https://www.gov.uk/government/statistics/local-government-pension-scheme-funds-for-england-and-wales-2024-to-2025>

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## **Circulating the newsletter within your organisation**

We would be grateful if you could continue to circulate this newsletter to appropriate colleagues in your organisation for example, Human Resources, Payroll and Finance Department or alternatively provide us with their email address, so we can add them to our distribution list.

If you require any further information or clarification, please do not hesitate to email the Fund at [pensions.comms@staffordshire.gov.uk](mailto:pensions.comms@staffordshire.gov.uk)