

Local Government Pension Scheme (LGPS) Councillor Pensions (England) - Update



This leaflet provides an update on the position for councillor members of the L G P S in England following changes introduced on 1 April 2014 including:

- background to the changes to councillors' pensions in England
- impact on councillors' access to the L G P S
- options available on leaving the Scheme, and further information

You can find information about councillor pensions and a link to the Full guide to the LGPS for councillors on the [councillor pensions](#) page of the LGS member website.

Background

On 19 December 2012, local government minister Brandon Lewis MP announced in a [written ministerial statement](#) the Government's intention to remove access to the L G P S for councillors in England.

The Government consulted on three options in 2013:

- to remove councillors' access to the L G P S from April 2014
- a two-tier membership option depending on a councillor's position or level of responsibility and
- to continue providing councillors with ongoing access to the L G P S.

The Government's final position on the treatment of elected councillors (and elected mayors) was made known in March 2014 when the L G P S (Transitional Provisions, Savings and Amendment) Regulations 2014 were made and laid. These regulations removed access to the L G P S from 1 April 2014 for councillors and elected mayors in England and for the Mayor of London and members of the London Assembly, with the following exceptions:

- councillors
- elected mayors
- the Mayor of London and
- members of the London Assembly

who were members of the L G P S on 31 March 2014 retained access to the L G P S up to the end of the term of office they were serving on that date (or to age 75, if earlier).

The changes do not affect councillors in Wales, and they retain ongoing access to L G P S membership¹.

This update contains information for councillors in England and should be read as an addendum to the Full guide to the L G P S for Eligible Councillors.

Access to the LGPS

If you were a councillor or elected mayor in England who was a member of the L G P S on 31 March 2014, you would have continued to pay pension contributions and build up pension benefits in the L G P S until the end of the term of office you were serving on 31 March 2014. Your L G P S membership would have ended earlier if you elected to opt out of the Scheme or reached age 75 before the end of that term of office. You were not and are not permitted to re-enter the Scheme on re-election.

¹ Councillors in Wales are under the jurisdiction of the Welsh Assembly. All eligible councillors continue to have access to the L G P S. Eligible councillors are councillors of a Welsh county council or county borough council who are offered membership of the Scheme under the council's scheme of allowances and who are under age 75.

If you were not a member of the Scheme on 31 March 2014, then you were not permitted to join the Scheme for the remainder of your term of office.

A term of office ends on the fourth day after the ordinary day of election of councillors, with a new term of office commencing on the same day as the old term ends.

Options available on leaving the Scheme

If you are a councillor or elected mayor who ceased to be a member of the Scheme, you can elect to take your pension benefits between age 55 and 75. Pension benefits paid before age 65 may be subject to an actuarial reduction. Pension benefits paid after age 65 are paid at an actuarially increased rate.

If you were awarded deferred benefits in the Scheme when you left the L G P S, they will normally become payable at age 65 unless:

- a) you choose to defer payment beyond that age, up to your 75th birthday at the latest, or
- b) you elect to have them paid between age 55 and 65. You would not need your council's consent, or
- c) depending on your council's published discretions policy, you request payment between age 50 and 55. You would need your council's consent for the benefits to be paid, or
- d) you become permanently incapable of discharging efficiently the duties of the office you had held because of ill health or infirmity of mind or body. In this event, the deferred benefits can immediately be paid, regardless of your age.

Benefits under a) would be paid at an actuarially increased rate, because the benefits would be paid after the Scheme's normal pension age.

Benefits under b) and c) would be subject to an actuarial reduction, because the benefits would be paid earlier than the Scheme's normal pension age. Some or all of your benefits could be protected from the reduction if you were contributing to the Scheme on 30 September 2006 and you are a protected member as defined in the [Full guide to the LGPS for Eligible Councillors](#). Your council can agree not to make any reduction on compassionate grounds.

If your benefits are paid under c) before age 55, they would be subject to a tax charge under the Finance Act 2004. This would be in addition to the normal P A Y E tax on your monthly pension.

Benefits under d) would not be subject to any actuarial reduction for early payment.

You can find information about councillor pensions and a link to the Full guide to the LGPS for councillors on the [councillor pensions](#) page of the LGPS member website

As an alternative to a deferred benefit, you may be able to transfer the value of your LGPS pension rights to another pension scheme. Please see the 'ceasing to be a councillor before retirement' section of the [Full guide to the LGPS for Eligible Councillors](#) for more information.

Police and crime commissioners

Police and Crime Commissioners (PCCs) retain access to the L G P S in England. See paragraph 1.17 of the consultation document '[Taxpayer-funded pensions for councillors and other elected local office holders](#)' for details.

Further information

This leaflet covers the changes introduced from 1 April 2014 to the L G P S for councillors in England. It should be read in conjunction with the [Full guide to the LGPS for councillors](#). You can find a link to the guide on the [Councillor pensions](#) page of the Hackney member website.

You should direct any queries about your LGPS benefits to your administering authority directly. For contact details, please visit the [Hackney member website](#).

Contact details

Pension Administrators- Equiniti

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London Borough of Hackney (administering authority) Pension Fund team:

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London Borough of Hackney
Financial Services
4th Floor, Hackney Service Centre
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Telephone: 020 8356 2521**E-mail:** pensions@hackney.gov.uk**Website:** www.hackneypension.co.uk**Disclaimer**

This update leaflet is for councillors (and elected mayors) in England and reflects the provisions of the L G P S at the time of publication. It is a brief guide to the changes introduced to the L G P S for councillors in England and cannot cover every personal circumstance. In the event of a dispute over your pension benefits, the appropriate legislation will prevail. This leaflet does not confer any contractual or statutory rights and is provided for information purposes only.