

Scheme Advisory Board

Paul Scully MP
Minister of State, Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
SW1P 4DF

26 August 2022

Please reply to the Advisory Board Secretary: joanne.donnelly@local.gov.uk

Dear Paul

Local Government Pension Scheme: Scheme Advisory Board Reform of Benefit Structure

I write pursuant to the Advisory Board's statutory function to make recommendations on the desirability of making changes to the Scheme (Regulation 110(2)). In fulfilling this function, the Board feels that it is important for the benefits structure of the Scheme to reflect both recent court judgments and our evolving understanding of our duties to promote equality under the Equalities Act 2010.

At the Board meeting on 6 June, we discussed the issue of potential age discrimination inherent in Regulations 40(1) and 46(1) of the 2013 regulations, which impose a restriction of age 75 for a death grant to be paid. In setting this upper age limit, we believe that the LGPS is not only at risk of legal challenge, but also out of step with other public service pension schemes which have already removed this upper age limit. It was agreed that I should write to formally recommend that this potential discrimination be removed from the scheme.

The Board also agreed that I should remind you that we are still waiting for the Department to fulfil [the Government's commitment](#) to consult on proposed amendments to the scheme to address the need to amend survivor benefits in light of the Goodwin case, which was concluded in June 2020.

On the issue of survivor benefits, the Board has previously recommended (in a letter of 27 November 2017 to Marcus Jones MP) that the Government should investigate the feasibility removing all remaining differences in benefits in relation to survivor benefits, potentially with those changes only affecting survivor benefits brought into payment from a time to be agreed (rather than all previous and existing recipients of survivor benefits). This would help "future proof" the schemes against expensive and resource consuming legal challenges which chip away at the remaining inconsistencies in benefits.

To inform decisions on these changes, we recommended that the Department considers commissioning the Government Actuary's Department (GAD) to undertake

Scheme Advisory Board Secretariat

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The Board secretariat is provided by the Local Government Association

the appropriate analysis to identify those elements of the scheme where differences in benefits arise and the cost of removing those provisions over a number of different time periods. Evidence-based decisions could then be taken which balance the legal risks, the costs and the fairness of where those costs should fall. I would be grateful if you could give this proposal fresh consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Phillips', with a long horizontal flourish extending to the right.

Cllr Roger Phillips
Chair of the Board