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GMB Response to the Open Consultation: Local Government Pension Scheme in England and Wales: Scheme Improvements (access and protections)

Opening Date: 13th October 2025

Closing Date: 22nd December 2025



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Enquiries

For any enquiries about this consultation please contact the Local Government Pension Scheme team at memberbenefitsconsultation@communities.gov.uk.

How to respond

The government strongly encourages responses via the [online survey](#).

If you are unable to respond via the online survey, printed proformas can be requested from and returned to:

Consultation on LGPS Scheme Improvements – Scheme Improvements (Access and Protections)

FAO Local Government Pensions Team

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Preamble

The GMB is one of the largest Trade Unions in the UK representing over 600,000 workers across the public and private sectors. We are actively involved in defending and improving their terms and conditions and have a particular focus on enhancing their pension provision. We hold seats on the Civil Service, NHS and Local Government Pension Scheme (LGPS) Scheme Advisory Boards with by far the largest number (hundreds of thousands) in the LGPS.

We are adamant that pensions are our members' deferred pay when they retire. They form a key part of our members' employment package and are as important as the wages our members receive now. Financial security and dignity in retirement are key priorities for GMB members. Secure, high-level pensions benefit the individual, local economies, and society as pensioners spend their money in their communities (the multiplier effect) and thus we monitor proposed changes to the statutory framework of the pensions landscape in order to protect the structural integrity and financial security of schemes and as well as seeking to enhance the security and level of pensions likely paid to GMB members.

We note the range of proposals, many of which we have campaigned for, in this consultation relate to the Local Government Pension Scheme in England and Wales. We share the government's view that the LGPS is a good pension scheme which should be available to all those who provide the services for which local government is responsible.

Introduction

We note this consultation covers 4 policy areas relating to the Local Government Pension Scheme in England and Wales (LGPS)

- Normal Minimum Pension Age (see below) – proposals to amend the Normal Minimum Pension Age to age 57, following the Finance Act 2022, and to ensure that members with a Protected Pension Age can still take pension benefits at that age
- Mayors and councillors – proposals to extend access to the scheme for councillors and mayors in England
- Academies – proposals and criteria to allow academies, where they work across geographical boundaries, to apply to come under a single Administrative Authority of the LGPS and to remove Secretary of State consent where all criteria are met
- New Fair Deal – proposals to implement Fair Deal protections in the LGPS to ensure continued access to the LGPS for outsourced workers.



Normal Minimum Pension Age

The Normal Minimum Pension Age (NMPA) is the minimum age at which most people can access their pensions (unless they are retiring due to ill-health) and will increase from 55 to 57 with effect from 6 April 2028. To smooth the transition, the Finance Act 2022 provided for a Protected Pension Age (PPA) for those who

- immediately before 4 November 2021, had an actual or prospective right to any benefit from an age of less than 57
- were members of a scheme that, on 11 February 2021, included provision conferring such a right
- had such a right under the scheme on 11 February 2021 or would have had such a right had the member been a member of the scheme on 11 February 2021

LGPS regulations confer the right to take pension benefits from age 55 to all members and so if the member was in the LGPS immediately before 4 November 2021 they will have a PPA.

The government does not propose to protect those who transfer previous pension benefits into the LGPS. This creates the following categories of members:

Category 1 – PPA from membership in the LGPS immediately before 4 November 2021

They will retain the right to take pension benefits from 55.

Category 2 – PPA from transferring a pension arrangement into the LGPS

The NMPA for such members would rise to 57 as there is no facility in the LGPS to ring-fence different pension benefits without extensive redesign of the LGPS regulations in multiple areas which would be very complex and costly. The government believes it would be disproportionate to re-design the scheme regulations for all members in this way.

Category 3 – no PPA

For those members who do not meet the cut-off point of immediately before 4 November 2021 and so do not have a PPA, the NMPA will rise to age 57, in line with the Finance Act 2022.

Category 4 – members with a PPA below age 55

Those already able to draw benefits between age 50 and 55 will continue to be able to do so.



Q1. Do you agree with keeping the NMPA at below 57 for members with a PPA?

Yes

Q2. Do you agree with increasing the NMPA to 57 for members without a PPA?

No, raising the NMPA contradicts GMB policy around the retirement age and also creates groups of workers with different conditions of service (see Q3 below)

Q3. Do you have any views on the design of the regulations to incorporate this change?

Under these proposals groups of workers with different characteristics working for the same employer will have different entitlements according to the pension scheme they are or were in and the date they joined their scheme. This may lead to legal challenge and the government should either treat everyone equally or ensure adequate protections are in place to prevent such a challenge.

Access for councillors and mayors

Mayors and Councillors are not eligible for the LGPS in England whereas, generally, they are in Scotland, NI and Wales.

Q4. Do you agree with the proposal to give mayors access to the scheme?

Yes

- The LGPS should be available to all those who provide local government services.
- Locally elected representatives offer a vital public service and should receive appropriate remuneration and suffer no financial disadvantage for their service
- The proposal would reverse a historic act of spite by the then Conservative government in disallowing access in the first place
- It will remove a barrier to entry into public service, encourage participation and widen representativeness

Q5. Do you agree with the proposal to give councillors access to the scheme?

Yes, see Q4 above.



Also, Councillors of some political parties criticise the LGPS. We consider they do so out of ignorance and once they become members they will hopefully appreciate its value to the recruitment, retention, morale and motivation of the workforce as well as its contribution to individual wellbeing and the local economy.

Q6. Do you agree with the two principles of how the government plans to develop regulations?

In general, yes, save for

- in keeping with the principle that ‘elected members should be treated the same as other members of the LGPS’ and that access to the pension scheme for elected members is intended to be an automatic right, the GMB view is that members ought to be subject to auto-enrolment and opt out should they wish to do so. Such a general rule retains the principle of simplicity, treats all equally and reduces administrative complexity
- a member ought to be permitted to combine any LGPS membership they may have AND any other type of LGPS membership, as per any other member of the fund and in line with their proposed entitlement to transfer benefits in and out of the LGPS in the same way as other members, (with the exception of final salary benefits). We see no reason why they should be deprived of this.

Q7. Do you have any specific comments on the draft regulations?

No

Academies

Multi-Academy Trusts (MATs) are spread across the country and some have their LGPS scheme run by different administering authorities. This can create inefficiency and unnecessary administrative costs.

Employers can apply [for a direction from the Secretary of State] to substitute a different [single] administering authority as the appropriate authority thus allowing employers to consolidate their LGPS members into a single administering authority.

However, consolidation holds risks e.g. the transfer of assets and member records, impact on the employer contribution rate and actuarial cost. There are also risks that the member feels lost in the system when they are employed by, say, Barnsley, but their LGPS fund is administered in, say, Bristol as that is where the MAT HQ is located.

We note the proposal for the following criteria:

a. There must be a clear and evidenced value-for-money assessment in favour of the consolidation (such as to achieve administrative efficiencies that outweigh the cost of transfer and actuarial fees).



- b. There should be a pre-existing relationship with the administering authority that the MAT wishes to join or consolidate into (i.e. the MAT already has schools in that administering authority).
- c. All administering authorities involved should agree to the change.
- d. The receiving administering authority must be able to administer the transfer effectively.

Q8. Do you agree with the proposal to establish the criteria above in legislation?

Yes

Q9. Do you have any views on how contribution rate shopping can be discouraged (whereby an employer seeks to have their fund administered by an Administrative Authority with the lowest employer contribution rate)?

Yes, ensure that a MAT can only utilise the services of an AA in which it has a geographical connection.

Q10. Are there any other criteria that should be included?

Yes, improving the member experience

Q11. Do you have any other comments or considerations relating to establishing the criteria in legislation?

No

Q12. Do you agree to the removal of the requirement to seek Secretary of State consent for standard direction order applications?

Yes, as per the criteria outlined.

Q13. What would be the most helpful information to include in guidance?

Member and employer guides



Q14. Do you have any other comments or consideration on the removal of the requirement to seek SoS consent for standard order applications?

No, as long as the necessary and appropriate criteria are met with adequate safeguards for members.

Proposal 2: Process for applications where criteria are not met.

Q15. Do you agree that non-standard applications will continue to require Secretary of State approval?

Yes

Q16. What would be the most helpful information to include in the guidance in relation to nonstandard applications that will require Secretary of State approval?

Member and employer guidance, specific criteria and adequate safeguards for members

Q17. Do you have any further comments regarding the proposal?

No

New Fair Deal (See Appendix 1)

We are aware that the Fair Deal policy, first introduced in 1999, was updated in October 2013 and improved pension protection for outsourced central government workers by setting out that they should receive continued access to their public sector pension scheme after a transfer, rather than be provided with access to a broadly comparable scheme.

A further consultation in 2019 consultation contained updated proposals to implement a strengthened Fair Deal including

- removing the option for broadly comparable schemes to be offered to outsourced local government workers and providing for them to receive continued access to the LGPS instead
- offering an alternative route to becoming an LGPS employer for service providers, the 'deemed employer route', where the original employer (and not the service provider) would be the Scheme employer.



Q18. Do you agree that the option to offer broadly comparable schemes should be removed, except in exceptional circumstances, to align with the 2013 Fair Deal guidance?

Yes, absolutely, wholeheartedly and without exception as unscrupulous employers and there are many) may use the exceptional circumstances clauses to avoid their responsibilities.

Q19. Are you aware of any other broadly comparable schemes that are currently in operation and have active members covered by the 2007 and/or 2012/2022 Directions? If so, please provide details of these.

No

Removal of admission body option for future local government outsourcings

Q20. Do you agree with the proposals on deemed employer status and the removal of admission body option for service providers who deliver local government contracts?

Yes. We have campaigned for this for some time. Using admission body agreements to join the LGPS can be costly and lengthy to the detriment of GMB members. Using the Deemed Employer Route should ensure

- seamless and protected access to LGPS for future transferred staff
- the removal of the administrative burden of chasing admission body agreements

Fair Deal employers

Q21. Do you agree with the proposed definition of a Fair Deal employer?

Yes. And we welcome the inclusion of further education colleges, sixth form colleges and designated institutions in England in this category.

Protected transferees (See Appendix 2)

Q22. Do you agree with the proposed definition of a protected transferee?

Yes



Q23. Do you agree with the proposal to allow the Fair Deal employer to provide protected transferee status for all staff working on a contract outsourced by a Fair Deal employer, which would enable Fair Deal employers and relevant contractors to avoid creating a two-tier workforce on outsourced contracts?

Yes

Responsibilities for relevant contractors

Q24. Do you agree with the overall approach on responsibilities for relevant contractors and Fair Deal employers? If you do not, with which proposals do you disagree?

Yes, we agree with the overall approach i.e. that the contractor should honour all and any previous pensions agreements and apply the scheme rules as determined by the LGPS and ensure that pensions are unaffected by any outsourcing.

Continuity of responsibilities across contractors

Q25. Do you agree that Option 1 (the new contractor should honour any previous agreement) should be applied to how agreements between protected transferees and relevant contractors should be treated in the case of subsequent outsourcings? Please give the reasons for your answer.

Yes. It is the simplest solution (which are always the best). It gives the greatest protection and requires the least navigation of potential new providers and revisiting of earlier decisions, making life easier for GMB members.

Exceptional arrangements – continuation of broadly comparable schemes

Q26. Do you agree with the approach to allow broadly comparable schemes to continue only in exceptional circumstances?

Q27. Do you have any views on what the exceptional circumstances, where broadly comparable schemes may need to continue, could be?

In principle we are opposed to the continuation of broadly comparable schemes (See Q18 response). We are fearful that such a clause may be exploited.



Transitional arrangements – inward transfers from broadly comparable schemes

Q28. Do you agree with the proposed approach (to provide a year for year service credit) to inward transfers from broadly comparable schemes?

Yes, this gives the greatest protection and honours all previous service.

Early re-negotiation of contracts

Q29. Do you agree with the approach of including a mechanism in the draft regulations that allows for staff to become protected transferees where there is an early re-negotiation of a service contract using the new Fair Deal regulations?

Yes

Optional expansion of New Fair Deal beyond originally outsourced workers

Q30. Do you agree with the proposal that all staff (including those joining a contract after first outsourcing) would be eligible for protected transferee status, providing all relevant parties agree?

Yes

Implementation of New Fair Deal proposals

Q31. Do you agree with the proposal for the draft regulations to come into force on the date the relevant Statutory Instrument is laid, with a 6-month transitional period during which there is the possibility to decide to not apply the new provisions?

Yes, although we are unsure as to why the possibility of non-implementation exists.

Q32. If you are an individual who is currently outsourced from a local authority and part of a final salary scheme, do you agree with the proposed updating of the 2007 and 2022 Directions to deem the LGPS as broadly comparable to or better than final salary schemes? Please give the reasons for your answer.

Yes, this would be beneficial for GMB members and go towards improving pension outcomes.



Q33. Do you agree with the proposal to develop and publish statutory guidance and Scheme Advisory Board guidance to support with the implementation of the updated Fair Deal proposals?

Yes

Q34. Are there any additional topics that you would like to be covered?

No

Q35. What impact do you think these proposals would have on members?

They would increase pension outcomes, lessen the detrimental impact of poor employers and give greater protection and financial peace of mind to GMB members.

Q36. Do you support the proposal to bring all eligible individuals back into the LGPS, including those in broadly comparable final salary schemes? Please explain your reasons.

Yes. The LGPS is a model scheme, well run and financially viable that provides a valuable benefit to a low paid workforce, and it enhances the employers 'recruitment and retention ability. The more in the scheme the better and the less fragmented the workforce

Q37. On balance, do you agree with the proposals in this chapter?

Yes

Q38. Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.

Q39. Do you agree to being contacted regarding your response if further engagement is needed?

Yes



Appendix 1

Summary of effect of New Fair Deal proposals

	Before Proposals	After Proposals
Access route	There are two ways to provide outsourced workers with a pension: granting them access to the LGPS through the admission body option or enrolling them in another pension scheme that is broadly comparable to the LGPS.	There is only one way to provide outsourced workers, now protected transferees, with a pension; granting them access to the LGPS in accordance with the deemed employer approach. The responsibilities of the Fair Deal Employer and the relevant contractor will be clarified accordingly.
Post-outsourcing staff	Staff hired by a relevant contractor after the initial outsourcing do not have the same pension rights as staff who transferred during an initial outsourcing. The former do not have to be offered the LGPS or a broadly comparable scheme.	Staff hired by a relevant contractor after the initial outsourcing can be granted access to the LGPS. Before the contract is put out to tender, the Fair Deal employer would need to decide whether the protected transferee status also applies to staff employed after the initial outsourcing.
Protections of accrued rights	Current regulations do not allow outsourced workers to transfer a final salary pension into the LGPS and become entitled to final salary benefits under the LGPS , when those benefits were provided as part of an outsourcing agreement.	The draft regulations allow protected transferees to transfer their final salary pension from broadly comparable schemes into the LGPS and ultimately preserve the value of those benefits. Any future pension accrual within the LGPS would still be on a CARE basis.
Continuity of responsibilities across contractors	Pension agreements , such as additional pension contributions or shared cost additional voluntary contributions, end when the service contract is transferred to a new contractor.	Pension agreements , such as additional pension contributions or shared cost additional voluntary contributions, would ideally be honoured by the new contractor when the service contract is transferred.



Appendix 2

Protected transferees

To clarify who will be eligible for the improved Fair Deal pension protections, the draft regulations refer to a group of members with protected rights – protected transferees. Protected transferees would have a right to continued access to the LGPS, even where the contract they are working on is compulsorily transferred under TUPE to a service provider (defined in the draft regulations and from this point on as a relevant contractor).

Protected transferees would retain their protected transferee status and access to the LGPS so long as they remain working ‘wholly or mainly on the outsourced activities which are being carried out by the relevant contractor on the Fair Deal employer’s behalf’. This protection would also apply if the protected transferee is involved in a subsequent compulsory transfer of employment or retender, in line with the Best Value Directions.

To implement this, the draft regulations provide that any active member or person eligible to be an active member of the LGPS working for a Fair Deal employer directly before a TUPE service provision transfer to a relevant contractor, will become a protected transferee. They also provide that protected transferees will retain their protection where they are involved in subsequent TUPE transfers, so long as they remain working ‘wholly or mainly on the activities which are being carried out by the subsequent relevant contractor on the Fair Deal employer’s behalf.’

There could be occasions where Fair Deal employers may wish to provide all staff working on an outsourced contract with the same pension protections, regardless of whether they were involved in an eligible TUPE transfer. This could, for example, be applied to those who join the contract after outsourcing due to staff turnover. The draft regulations allow this, so long as the staff remain working ‘wholly or mainly’ on the activities which are being carried out by a relevant contractor on the Fair Deal employer’s behalf. This would enable the Fair Deal employer to avoid a two-tier workforce on contracts that they have outsourced.

The government plans to work with the Scheme Advisory Board, Local Government Association, and other stakeholders, to develop and publish statutory guidance alongside these regulations that will include further detail on the definition of the term ‘protected transferee’, the responsibilities and requirements for the Fair Deal employer and the relevant contractor, and further detail on the option to allow all staff working on a contract outsourced by a Fair Deal employer to be protected transferees. More information on the guidance that is planned can be found in the “Implementation of New Fair Deal proposals.”

