lgps | Local Government Pension Scheme

A guide to the Local Government Pension Scheme (LGPS) for councillors and mayors in England

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Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Introduction

This guide provides information about the LGPS for councillors and mayors in England who are eligible to join the Scheme from 11 May 2026.

This guide does not cover LGPS benefits built up:

- as an employee
- as a councillor in Wales
- as a councillor or elected mayor in England, the Mayor of London or as a member of the London Assembly for a term of office that began on or before 1 April 2014.

Separate guides are available for these benefits.

Highlights of the LGPS

Secure benefits:
the Scheme provides you with a guaranteed income in retirement. Your pension is based on your pensionable pay and how long you've been a member, not investment performance.

Protection against inflation:
your pension is adjusted each year to keep up with the cost of living.

Your Scheme employer pays in too:
the Scheme is provided by your Scheme employer who meets the balance of the cost of providing your benefits in the LGPS.

You can look forward to your retirement in the LGPS with:

A secure pension

Your pension is worked out every year and added to your ***pension account.*** Each year 1/49th of your ***pensionable pay*** is put into your pension account. At the end of that year the total amount of pension in your account is adjusted in line with changes in the cost of living, as measured by the ***Consumer Prices Index (CPI)***. The ***Scheme year*** runs from 1 April to 31 March.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Flexibility to pay more or less contributions

You can boost your pension by paying more contributions, with tax relief. You also have the option to pay half your normal contributions in return for half your normal pension. This is known as the 50/50 section of the Scheme. The 50/50 section is designed to help members stay in the Scheme when times are financially tough.

Tax-free cash

When you take your pension, you can swap part of it for some tax-free cash.

Peace of mind

Your family enjoys financial security, with immediate life cover and a pension for your spouse, civil partner or ***eligible cohabiting partner*** and ***eligible children*** if you die in service. If you become seriously ill and you've met the two year ***qualifying period***, you could receive immediate ill health benefits.

Freedom to choose when to take your pension

You do not need to have reached your ***Normal Pension Age*** to take your pension. Once you've met the two year ***qualifying period***, you can choose to retire and take your pension at any time between age 55 and 75. Your ***Normal Pension Age*** is the age you can retire and take the pension you've built up in full. If you choose to take your pension before your ***Normal Pension Age***, it will be reduced, as it's being paid earlier. If you take it later than your ***Normal Pension Age,*** it's increased because it's being paid later.

> The Government has announced that the earliest age you can take your pension will increase from 55 to 57 from 6 April 2028. Find out more in the **Pension age changes** section.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

The Scheme

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. 'What is a Pension' and 'How your Pension Works' provide brief introductions to the Scheme.

What kind of scheme is it?

The LGPS is a tax approved, defined benefit occupational pension scheme.

The amount of pension you earn in a year is worked out each year and added to your ***pension account***. The total amount of pension in your ***pension account*** is adjusted in the April following the end of each ***Scheme year***, so your pension keeps up with the cost of living.

The LGPS is very secure because the benefits are set out in law.

Who can join?

The Scheme is available to the councillors and mayors in England listed below (referred to collectively as "***elected members***" in this guide) provided they are aged under 75:

Mayors

- mayors and deputy mayors of combined authorities
- mayors and deputy mayors of combined county authorities
- the Mayor of London, if the Greater London Authority deem them eligible
- mayors of single authorities – although access is in their role as a councillor.

Councillors

- members of county and district councils (including unitary councils)
- members of London boroughs
- members of the Court of Common Council of the City of London, if the authority deems them eligible
- members of the London Assembly, if the Greater London Authority deems them eligible.

Town and parish councillors are not eligible to join the LGPS.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

How to join

Joining the LGPS is not automatic for elected members. You must opt in.

You can join the Scheme by writing to your Scheme employer or by completing an opt in form. You will then join the Scheme from the first day of the next payment period. Membership cannot be backdated.

On joining, relevant records and a ***pension account*** will be set up, and you will receive an official notification of your membership.

You should check your payslip to make sure that pension contributions are being deducted.

Who is my Scheme employer?

Your Scheme employer is the body deemed to be responsible for your LGPS membership. As an elected member, you do not have an employer and therefore a body is nominated to perform this function for you.

Your Scheme employer is generally the body that pays you an allowance or salary and can therefore deduct contributions directly.

Some councillors are paid pensionable allowances from more than one Scheme employer because they hold multiple roles. These councillors are eligible for the LGPS for each role. This means they can opt into the Scheme separately for each role and have multiple ***pension accounts***. See the definition of 'pensionable pay' in the next section for more information on what allowances are pensionable. For example, a councillor who serves on:

- Huntingdonshire District Council
- Cambridgeshire County Council
- Cambridgeshire and Peterborough Fire and Rescue Authority, and
- the Overview and Scrutiny Committee for Cambridgeshire and Peterborough Combined Authority

will receive pensionable allowances paid directly from four separate bodies. As a result, providing they have opted in for each one, they will have four Scheme employers and four separate ***pension accounts***.

What is pensionable pay?

Pensionable pay is used to work out your pension each ***scheme year*** and is the pay on which you normally pay contributions. For ***elected members***, pensionable pay is

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

the total of the following amounts paid under the authority's approved remuneration scheme:

- basic allowances
- special responsibility allowances
- relevant allowances
- any salary paid (where applicable).

'Relevant allowance' means an allowance paid under a combined authority establishment order or combined county authority establishment regulations except travel and subsistence allowances. Travel and subsistence allowances are not pensionable.

The remuneration scheme must be established under one of the following:

- the Local Authorities (Members' Allowances) (England) Regulations 2003
- the Greater London Authority Act 1999
- a Combined Authority establishment order
- Combined County Authority establishment regulations, or
- a remuneration arrangement for members of the Common Council of the City of London.

In practice, this generally means that where an eligible elected member receives a salary or any of the allowances listed above from:

- the authority to which they are elected
- a combined authority
- a combined county authority
- a fire and rescue authority

that allowance or salary will be pensionable if they elect to join the Scheme.

What do I pay?

You will pay contributions on ***pensionable pay*** at your contribution rate.

Your contribution rate depends on how much you are paid. It's currently between 5.5% and 12.5% of your ***pensionable pay***. The rate you pay depends on which pay band you fall into. When you join, and every April afterwards, your Scheme employer will decide your contribution rate. If your pay changes throughout the year, your Scheme employer may decide to review your contribution rate. If you elect for the 50/50 section of the Scheme, you will pay half the rates listed below.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

If you receive more than one pensionable allowance and these are paid by different bodies, your contribution rate will be assessed separately by each body in relation to the allowances they pay.

Table 1: Contribution bands for 2026/27

If your actual pensionable pay is	You pay a contribution rate of
Up to £18,400	5.50%
£18,401 to £29,000	5.80%
£29,001 to £47,300	6.50%
£47,301 to £59,800	6.80%
£59,801 to £84,000	8.50%
£84,001 to £119,100	9.90%
£119,101 to £140,400	10.50%
£140,401 to £210,700	11.40%
£210,701 or more	12.50%

The pay bands change each April. The Government may review the contribution rates and change them in the future.

Do I get tax relief?

As a member of the LGPS, if you earn enough to pay tax, your contributions will attract tax relief when they are deducted from your ***pensionable pay***.

If you do not earn enough to pay tax, under new rules from the tax year 2024/25, you could be eligible for a top-up payment from HMRC. This payment will be equal to the amount of tax relief you would have received if you were a basic rate taxpayer. HMRC will contact people about these top-up payments from 2026.

There are restrictions on the amount of tax relief available on pension contributions. If the value of your pension savings increases in any one year by more than the standard annual allowance of £60,000, you may have to pay a tax charge. Most people will not be affected by the annual allowance.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Contributions

Does my Scheme employer contribute?

Your Scheme employer currently pays the balance of the cost of providing your benefits in the LGPS. Every three years an independent review is undertaken to calculate how much your Scheme employer should contribute to the Scheme.

Is there flexibility to pay less in contributions?

Yes, you can move into the 50/50 section of the Scheme. In the 50/50 section you pay half the normal contributions and build up half the normal pension. See the section on **Flexibility to pay less**.

Can I pay extra to increase my benefits?

You can increase your benefits by:

- paying extra pension contributions, known as Additional Pension Contributions (APCs), to buy extra LGPS pension, or by
- making payments to the Scheme's ***Additional Voluntary Contributions (AVC)*** arrangement.

See the section on **Flexibility to pay more**.

Can I transfer in non-LGPS pensions?

If you have paid into a different pension scheme, or into the LGPS in Scotland or Northern Ireland, you may be able to transfer your previous pension rights into the LGPS. You only have 12 months from joining the LGPS to opt to transfer your previous pension rights, unless your Scheme employer and LGPS pension fund allow you longer. You cannot transfer a pension that is already being paid to you.

If you transfer in final salary benefits, the transfer will purchase career average benefits in the 2014 Scheme instead and the pension they provide will no longer be based on your final salary.

If you transfer in benefits which would otherwise be protected by the 'McCloud remedy', the purchased benefits will not be protected. You can find more information about the McCloud remedy in '**The underpin**' section of this guide.

Can I opt out of the LGPS and rejoin later?

Yes, you can opt out of the Scheme. If you are thinking of opting out, you might want to consider moving to the 50/50 section of the Scheme instead. In the 50/50 section,

you pay half your normal contributions in return for half your normal pension build-up. To find out more, see the section on **Flexibility to pay less**.

If, having considered the 50/50 section option, you still decide the LGPS is not for you, you can leave the LGPS by completing an opt out form.

You can get an opt out form from your LGPS pension fund. You might want to take independent financial advice before making the final decision to opt out.

If you opt out before completing three months' membership, you will be treated as never having been a member. Your Scheme employer will refund any contributions you have paid.

If you opt out with three or more months' membership and before completing the two year ***qualifying period,*** you can usually take a refund of your contributions (less an adjustment for tax) or transfer out your pension to another scheme.

If you opt out after meeting the two year ***qualifying period***, you will have deferred benefits in the Scheme. You will generally have the same options as anyone leaving their office before retirement, except you cannot take your deferred benefits unless you have left the elected role in which you built up the deferred benefits. If you rejoin the Scheme, you will not be permitted to join your deferred benefits with the new ***pension account***. Instead, you will have two separate sets of pension benefits.

If you opt out, you can opt back into the Scheme at any time before age 75, provided you are eligible to join the Scheme.

What if I'm already receiving an LGPS pension?

If you are already receiving a pension from the Scheme and you are re-employed or elected to a new office in local government or with an employer who offers membership of the LGPS, your pension may be affected. Your pension will only be affected if some or all of it was built up before 1 April 2014. You must tell the LGPS pension fund that pays your pension about your new employment or elected role, whether you join the Scheme in your new position or not. They will let you know whether your pension in payment is affected in any way.

If the pension you are receiving from the Scheme was all built up after 31 March 2014, you do not need to inform the LGPS pension fund that pays your pension if you are re-employed or elected to a new office. There is no effect on your pension in payment. The only exception to this is if you are in receipt of an LGPS ill

health pension of the type that is stopped if you are in any ***gainful employment***. If this is the case, **you must inform the employer who awarded you that pension.** They will let you know whether your pension in payment should be stopped.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Contribution flexibility

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. ‘Looking after your pension’ introduces ways that you can pay reduced or extra contributions.

Flexibility to pay less

When you join the LGPS, you will be placed in the main section of the Scheme. However, once you are a member of the Scheme you will be able to elect in writing to move to the 50/50 section at any time.

In the 50/50 section you pay half your normal contributions. This may be useful in times of financial hardship as it allows you to remain in the Scheme, building up valuable pension benefits, instead of opting out.

You can ask your Scheme employer for a 50/50 option form.

If you are paid allowances or a salary by more than one body, you will have more than one pension account. You can choose to move to the 50/50 section in respect of some or all of these accounts. You will need to make a separate 50/50 option to each body that pays you an allowance.

If you elect for 50/50, you would be moved to that section from the next pay period. You would then start paying half your normal contributions and build up half your normal pension. When you make an election for the 50/50 section, your Scheme employer must provide you with information on the effect this will have on your benefits in the Scheme.

If you were to die while you were in the 50/50 section of the Scheme, the lump sum death grant and any survivor pensions would be worked out as if you were in the main section of the Scheme. If you are awarded an ill health pension which includes an enhanced pension, the amount of pension added to your ***pension account*** is worked out as if you were in the main section of the Scheme.

The 50/50 section is designed to be a short-term option for when times are tough financially. Because of this, your Scheme employer must put you back into the main section of the Scheme about every three years. If you wish to continue in the 50/50 section at that point you would need to make another election.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

If you go onto no pay because of illness, you do not pay pension contributions during this time. Your pension is protected as it is worked out using your ***assumed pensionable pay*** – this is a notional pay figure used to make sure your pension builds up as if you were receiving normal pay. If you are in the 50/50 section when you go onto no pay, your Scheme employer will move you back to the main section at the start of the next pay period if you are still on no pay at that time. This means your pension builds up in the more generous main section from that point. If you wish to rejoin the 50/50 section when you start getting paid again, you must complete a new form.

There is no limit to the number of times you can elect to move between the main and 50/50 sections.

Flexibility to pay more

There are several ways you can provide extra benefits on top of the benefits you are already looking forward to as a member of the LGPS. You can improve your retirement benefits by paying:

- additional pension contributions (APCs) to buy extra LGPS pension
- ***Additional Voluntary Contributions (AVCs)*** arranged through the LGPS (in-house AVCs)
- free standing additional voluntary contributions to a scheme of your choice
- contributions to a stakeholder or personal pension plan.

Subject to HMRC limits, you will get tax relief on contributions you pay to a UK pension scheme.

Your LGPS pension fund can give you more information on the first two of these options.

As an elected member, your Scheme employer cannot contribute towards any of the above methods of increasing your pension benefits. However, some Scheme employers offer salary sacrifice arrangements to contribute towards your AVC plan. If they do, you will benefit from tax relief and national insurance savings on the AVC contributions. Your Scheme employer would also benefit from lower national insurance contributions. They cannot contribute more than the amount of pay you sacrifice. Check with your Scheme employer if they offer a salary sacrifice scheme for AVC contributions.

You may wish to take independent financial advice before you decide to pay extra.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Your pension

Your LGPS benefits are made up of:

- a pension that increases every year in line with the cost of living for the rest of your life, and
- the option to exchange part of your pension for a tax-free lump sum paid when you take your pension.

How is my pension worked out?

How benefits build up

Every year, you build up a pension of 1/49th of the ***pensionable pay*** (and ***assumed pensionable pay***) you received in that ***Scheme year*** if you are in the main section of the Scheme. You build up a pension at half this rate while you are in the 50/50 section of the Scheme.

The pension built up in the ***Scheme year*** is added to your ***pension account*** and revalued in the April following the end of each ***Scheme year,*** so your pension keeps up with the cost of living. The ***Scheme Year*** runs from 1 April to 31 March.

What pay is used to work out my pension?

The amount of pension added into your ***pension account*** at the end of the ***Scheme year*** is worked out using your ***pensionable pay*** which is the pay on which you pay your normal pension contributions.

If during the ***Scheme year*** you were:

- unable to carry out the full responsibilities of your office due to sickness or injury and you received reduced or no allowances, or
- on ***reserve forces service leave***

then, for that period, your pension is based on your ***assumed pensionable pay***. ***Assumed pensionable pay*** is a notional pay figure used to make sure your pension builds up as if you were receiving normal pay.

How is my pension worked out – an example

Let's look at the ***pension account*** of a member who joined the Scheme on 1 June 2026 who:

- received pensionable pay of £20,500 between 1 June 2026 and 31 March 2027

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

- had increases to their pensionable pay each year.

In the following example, we have used a notional cost of living adjustment.

Table 2: Example of pension build-up

Scheme Year	Opening Balance	Pension build up in Scheme year	Total account 31 March	Cost of living adjustment	Total Pension
2026/27	£0.00	£20,500 ÷ 49 = £418.37	£418.37	2% £8.37	£426.74
2027/28	£426.74	£25,000 ÷ 49 = £510.20	£936.94	4% £37.48	£974.42
2028/29	£974.42	£27,000 ÷ 49 = £551.02	£1,525.44	1.7% £25.93	£1,551.37
2029/30	£1,551.37	£27,500 ÷ 49 = £561.22	£2,112.59	2.6% £54.93	£2,167.52

The total pension they have built up by April 2030 is £2,167.52 a year.

The underpin

When the LGPS changed from a final salary to a career average scheme in 2014, older members were protected from the changes. The courts have ruled that younger members were discriminated against because they were not protected. The LGPS rules were changed from October 2023 to remove the discrimination. The changes are known as the 'McCloud remedy'. They introduced an underpin to protect members in scope. Underpin protections only apply to pensions built up in the 2014 Scheme during the remedy period – 1 April 2014 to 31 March 2022.

Elected members were not eligible to be members of the 2014 Scheme during the remedy period. Therefore, they are not protected by the underpin.

Leaving the Scheme before retirement

If you leave your office before retirement and have met the two year *qualifying period*, you will have built up an entitlement to a pension. You will have two options:

- you can choose to keep your benefits in the LGPS. These are known as deferred benefits and will increase every year in line with the cost of living, or
- you may be able to transfer your deferred benefits to another pension arrangement.

If you leave your office before retirement and have not met the two year *qualifying period*, you will have two options:

- you will normally be able to claim a refund of your contributions, or
- you may be able to transfer your benefits to a new pension arrangement.

You don't have to decide straight away, but you should be aware that:

- a refund must be paid within five years of the date you left the Scheme or by age 75, if earlier
- if you do not claim the refund and you rejoin the LGPS it will no longer be payable. The benefits will be added to your new ***pension account*** instead
- your LGPS pension fund will set a deadline for you to elect to transfer out. You will not be able to transfer after this date.

Your LGPS pension fund will confirm in writing your options shortly after leaving.

Refund of contributions

If you leave, or opt out after three months, and have not met the two year ***qualifying period***, you will normally be able to take a refund of your contributions. There will be a deduction for tax. Your LGPS pension fund must pay the refund five years after the date you left the Scheme at the latest, or by age 75 if earlier.

Deferred benefits

If you leave before your ***Normal Pension Age*** and you meet the two year ***qualifying period***, you will be entitled to deferred benefits in the LGPS. See the **How is my pension worked out?** section to find out how your benefits are calculated.

While your pension benefits are deferred, they will increase each year in line with the cost of living.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Your deferred benefits will normally be paid unreduced at your ***Normal Pension Age***, unless one of the following happens:

- You transfer your deferred benefits to another pension scheme or arrangement
- Your benefits are paid early on health grounds. Your benefits could be paid in full if:
    - you are permanently incapable of efficiently carrying out the office you held when you left the LGPS, and
    - you are unlikely to be capable of undertaking any ***gainful employment*** within three years of the date you applied for your LGPS pension to be paid because of ill health or by your ***Normal Pension Age***, if this is earlier.
- You elect to receive your deferred benefits early. Currently, you can take your benefits from age 55; however, the Government has announced the earliest you can take your pension will increase from age 55 to 57 from 6 April 2028. See the **Pension age changes** section.
- You choose to delay taking your benefits beyond your ***Normal Pension Age***. Your pension must be paid no later than age 75.

Benefits paid earlier than your ***Normal Pension Age***, other than on the grounds of permanent ill health, will be reduced for early payment and the fact that your pension will be paid for longer. Your Scheme employer cannot decide to waive these reductions. Benefits paid after your ***Normal Pension Age*** will be increased.

Keep in touch – remember to let the LGPS pension fund know if you move house.

Holding multiple pension accounts at the same time

If you:

- hold more than one office or receive allowances from different bodies as an elected member, and you are paying into the LGPS in respect of these at the same time, and
- you leave one or more but not all of them, and
- you are entitled to deferred benefits from the role (or roles) you have left

your deferred benefits from the role that has ended are automatically transferred to the active ***pension account*** for the elected member role you are continuing in, unless you elect to keep them separate. If you wish to keep your deferred benefits

separate, you must elect to do so within 12 months of leaving that office, unless your Scheme employer allows you longer.

If you are not entitled to deferred benefits from the roles (or roles) you have left, you cannot have a refund of your contributions, and you must transfer your benefits to the ***pension account*** for the office you are continuing in.

Rejoining the LGPS

If you rejoin the LGPS as an elected member in England and have deferred benefits as an elected member in England, your deferred benefits will generally be automatically joined with your new active ***pension account***, unless you decide to keep them separate. If the deferred benefit exists because you opted out, it cannot be joined to your new account. You will have 12 months from rejoining the Scheme to decide. Your Scheme employer may allow you longer.

If you have deferred benefits from being a councillor in Wales, or from a councillor term of office in England that began on or before 1 April 2014 and rejoin as an elected member in England, you can elect within 12 months of rejoining to combine your benefits. Your Scheme employer may allow you longer to elect. If you do not make an election, the deferred benefits remain separate.

You cannot combine elected-member LGPS deferred benefits in England with LGPS benefits you built up as an employee (and vice versa).

If you rejoin the LGPS in England or Wales and have a deferred refund, this **must** be joined with your new active ***pension account***.

Transferring your benefits

If you leave the Scheme and you are entitled to deferred benefits or a refund, you can generally transfer the cash equivalent of your pension benefits into another pension arrangement or a new employer's pension scheme. This may even be to an overseas pension scheme that meets HMRC conditions.

You cannot transfer your deferred benefits if:

- you leave less than one year before your ***Normal Pension Age***
- you elect to transfer less than one year before your ***Normal Pension Age***
- you are still paying into the LGPS in another role, or
- you are receiving an LGPS pension.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Your new pension provider will require a transfer value quotation, which your LGPS pension fund will guarantee for three months.

You may also be able to transfer out your ***Additional Voluntary Contributions (AVCs)*** to a different pension arrangement. The conditions for transferring an AVC are different. You can transfer your AVC without transferring your main LGPS benefits.

Transferring your benefits to a defined contribution scheme

You can find out more about transferring in the LGPS member videos: Pensions Made Simple. 'Transferring your pensions' looks at what to consider if you are thinking about transferring to a defined contribution scheme.

Members of defined contribution schemes who are over 55 can take money from their pension pot in different ways. These are known as flexible benefits.

The LGPS is a defined benefit scheme not a defined contribution scheme. The flexible benefit rules do not apply to your LGPS pension. However, if you stop paying into the LGPS and you have three or more months' membership, you may have the right to transfer your LGPS pension to a defined contribution scheme providing flexible benefits. You can only transfer your pension if you elect to transfer at least one year before your ***Normal Pension Age***. You will not have the right to transfer if you are retiring with immediate effect due to ill health.

You will be required by law to take independent financial advice if the value of your pension benefits in the LGPS (excluding AVCs) is more than £30,000. You are not required to take independent financial advice if the value of your benefits is £30,000 or less. However, transferring your pension rights is not an easy decision to make. Seeking the help of an independent financial adviser before you make a final and irreversible decision to transfer could help you to make an appropriate decision.

There are four main options for members aged over 55, who are in a defined contribution scheme which provides flexible benefits:

- purchasing an annuity
- flexi-access drawdown
- taking a number of cash sums at different stages
- taking the whole pot as cash in one go.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Pension scams

Anyone can be the victim of a pension scam, no matter how well informed they think they are. Scammers appear professional and it's becoming increasingly hard to spot the difference between something that's legitimate and something that's fraudulent. It is important that you can spot the warning signs.

To help you spot the signs and protect yourself from a scam, the Pension Scams Action Group suggests following four simple steps. The Group is a multi-agency taskforce of law enforcement, government and industry working together to tackle pension scams.

Step 1 – Is the offer unexpected?

Legitimate pension providers are highly unlikely to contact you out of the blue about your pension. Unsolicited pension cold calls are illegal and so are likely to be fraudulent. You should always be wary of free pension review offers and promises of high or guaranteed returns.

Step 2 – Have you checked who you're dealing with?

Use the Financial Conduct Authority's (FCA) Firm checker tool to quickly check that anyone offering you advice or services:

- is authorised by the FCA
- has permission to provide the services you want.

This easy-to-use tool is designed to help you stay safe. In the UK, almost all financial firms must be authorised or registered by the FCA. While it won't remove all risk, using an authorised firm with the correct permissions will greatly reduce your risk of harm.

Tip: A firm pretending to be an authorised firm is known as a 'clone firm' and may have a clone website that looks exactly like the real deal. Always use the legitimate firm contact details provided by the Firm Checker tool and help avoid scams.

Website: www.fca.org.uk/firm-checker Phone: 0800 111 67 68

Step 3 – Stop and think – are you being rushed or pressured?

Pressure to act quickly or you will miss out is often a warning sign. Take your time to make all the checks you need and remember, if it sounds too good to be true, it probably is.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Step 4 – Should you seek impartial advice or guidance?

MoneyHelper

Free and impartial information and guidance available online, over the phone and via webchat. Website: www.Moneyhelper.org.uk Phone: 0800 011 3797.

Financial advisers

If you can, it's a good idea to invest in speaking to a financial adviser. Often large amounts of money are at stake and they will be able to help you make the right decision for you. **Tip**: check any adviser you choose to use is regulated by the FCA.

Stop! Think Fraud

Learn more about how to spot and avoid scams.
Website: stopthinkfraud.campaign.gov.uk.

If you suspect a scam, report it.

You can report an unauthorised firm or scam to the FCA using the online reporting form or on 0800 111 6768.

If you suspect a scam, report it to Report Fraud on 0300 123 2040 or at www.reportfraud.police.uk/. If you live in Scotland, call 101.

Be ScamSmart with your pension. To find out more, visit www.fca.org.uk/scamsmart

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Retirement

When can I retire and take my LGPS pension?

You can choose to retire and take your LGPS pension at any time from age 55 to 75, provided you have met the two year ***qualifying period*** in the Scheme.

However, the Government has announced that the earliest age you can take your pension will increase from 55 to 57 from 6 April 2028. For more information, see the **Pension age changes** section.

The ***Normal Pension Age*** in the LGPS is linked to your ***State Pension Age***, with a minimum of age 65. If the ***State Pension Age*** changes in the future, then this change will also apply to your ***Normal Pension Age***.

When you leave the LGPS you can defer taking your benefits, unless your pension is being paid due to your ill health. You must take your pension no later than your 75th birthday. If you take your pension after your ***Normal Pension Age***, it will be paid at an increased rate to reflect late payment.

Will my pension be reduced if I retire early?

If you choose to retire before your ***Normal Pension Age***, your benefits will be reduced because they will be paid for longer. Your benefits are calculated as set out in the **How is my pension worked out?** section and are then reduced. How much your benefits are reduced by depends on how early you take them. Your Scheme employer cannot decide to waive these reductions.

What happens if I have to retire early due to ill health?

If you have to leave your office due to ill health, you may be able to receive immediate payment of your benefits.

To qualify for ill health benefits:

- you must have met the two year ***qualifying period*** in the Scheme, and
- your Scheme employer, after obtaining an opinion from an independent occupational health doctor appointed by them, must be satisfied that, due to ill health:
  - you will be permanently unable to efficiently perform the duties required by your office until your ***Normal Pension Age*** and
  - you are not immediately capable of undertaking ***gainful employment***.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Ill health benefits can be paid at any age and are not reduced for early payment. In fact, your benefits could be increased to make up for your early retirement if you are unlikely to be capable of ***gainful employment*** within three years of leaving.

What if I carry on in office after my Normal Pension Age?

If you carry on in your office after your ***Normal Pension Age***, you can continue to pay into the LGPS, building up further benefits. When you eventually retire you will receive your pension unless you choose to delay taking it. Your pension must be paid to you by no later than your 75th birthday. Your pension will be paid at an increased rate because it will be paid for a shorter time.

Pension age changes

The Government has announced that the earliest age you can take your pension will increase from 55 to 57 from 6 April 2028. This does not apply if you have to take your pension early because of ill health.

Pension scheme rules allow the Government to protect members who joined the LGPS before 4 November 2021 from these changes. The Government has not yet confirmed whether it will allow LGPS members who joined the Scheme before 4 November 2021 to take their pension from age 55 after April 2028.

How does my pension keep its value?

Your pension will increase in line with the cost of living each April if you are 55 or over. If you retire on ill health grounds, your pension is increased each year regardless of your age.

Can I exchange part of my pension for a lump sum?

When you take your LGPS pension, you can swap part of it for a one-off lump sum. For every £1 of annual pension you give up, you will receive a lump sum of £12.

Most members can take up to 25% of the overall value of their pension as a lump sum. The lump sum will usually be tax-free. HMRC limits the amount of tax-free cash you can take from all UK pension schemes. The limit – known as the lump sum allowance – is £268,275. A higher limit may apply if you hold protection from the lifetime allowance. If you have already taken payment of a pension from any UK scheme, you may have used up some of your lump sum allowance. If you exceed the allowance, you will have to pay tax on the excess at your marginal rate.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Taking a larger lump sum reduces your pension but does not reduce any survivor pension paid after you die to your spouse, civil partner, ***eligible cohabiting partner*** or child.

Your pension fund will give you more information about the option to swap pension for lump sum shortly before you take your LGPS pension. That is when you will need to decide.

Taking AVCs as cash

If you pay ***Additional Voluntary Contributions (AVCs)*** in the LGPS, you may be able to take your AVC fund as a tax-free lump sum. This option will be open to you if:

- you take your AVC at the same time as your main LGPS benefits
- your AVC plus your LGPS lump sum is less than 25% of the overall value of your LGPS benefits (including your AVC fund) and
- the total lump sum doesn't exceed £268,275, or, if you have previously taken pension benefits, the lump sum doesn't exceed your remaining lump sum allowance.

Other ways to use your AVC

Deciding how to use your AVC plan is an important financial decision. You may wish to get advice or guidance to help you choose which option is best for you.

Pension Wise is a government service from MoneyHelper that offers free, impartial guidance about your defined contribution pension options. Your AVC plan is a defined contribution pension that is attached to your LGPS pension.

Your pension fund is not allowed to proceed with your application to take AVCs until you tell them you have either received guidance from Pension Wise or you do not wish to take it. This is a legal requirement.

At retirement, you may be able to use your AVC to:

- provide a tax-free lump sum (see previous section on **taking AVCs as cash**)
- buy an annuity from an insurance company, bank or building society of your choice
- buy a top-up pension in the LGPS.

You do not have to pick a single option; you can use more than one option that is open to you.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

You can transfer your entire AVC fund to a different pension arrangement. You can only do this before you take your LGPS pension.

Your pension fund will give you more details about your AVC options shortly before you take your LGPS pension.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Protection for your family

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. 'Protection for you and your family' covers death benefits in the LGPS.

What benefits will be paid when I die?

On your death, pensions will be paid to your:

- ***eligible children***, and
- spouse, civil partner or, if certain conditions are met, ***eligible cohabiting partner***.

A lump sum death grant will also be paid if you:

- die in service as a member of the LGPS
- leave before retirement with deferred benefits and die before receiving them
- die after receiving your pension, if less than ten years' pension has been paid.

How much will the lump sum death grant be?

This will depend on whether you die in service, after leaving but before you take your pension or when you are receiving your pension.

If you die in service as a member of the LGPS, the lump sum is three times your ***assumed pensionable pay***.

If you leave before retirement with deferred benefits and you die before receiving them, the lump sum is five times your deferred yearly pension. If you are also an active member of the Scheme in another employment or elected role, this may impact on the death grant that is paid.

If you die when you are receiving your pension, the lump sum is ten times the yearly amount of your pension before giving up any pension for a lump sum, reduced by any pension and lump sum already paid to you. If you are also an active member of the Scheme in another employment or elected role, this may impact on the death grant that is paid.

Who is the lump sum death grant paid to?

The LGPS allows you to say who you would like any death grant to be paid to by completing an expression of wish form. This form is available from your LGPS

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

pension fund. The pension fund, however, retains absolute discretion when deciding who to pay any death grant to. You can find out how to contact your pension fund at the end of this guide.

You should review your expression of wish form regularly and update it if your circumstances change.

What will be paid to my surviving partner?

Your spouse, civil partner or ***eligible cohabiting partner*** will receive a proportion of your pension. Generally, this is 30.625 per cent of the pension you built up in the Scheme. It will be paid for the rest of their life.

If you die in service as a member of the LGPS, the pension will include a proportion of the enhancement you would have received if you had retired on ill health.

If you leave before retirement with deferred benefits and die before taking them, the pension is the relevant percentage of your deferred pension.

If you die after receiving your pension, the pension is the relevant percentage of your pension before giving up pension for a lump sum and before any reductions or increases for early or late payment.

Some parts of your pension are not counted. This includes additional pension bought by paying additional pension contributions.

If you were in the 50/50 section, this does not affect the value of the survivor's pension.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Help with pension problems

Who can help me if I have a query or complaint?

If you have a problem or question about your LGPS membership or benefits, please contact your LGPS pension fund. They will try to put things right and answer any questions as quickly and efficiently as possible. If your query is about your contribution rate, please contact your Scheme employer's HR or payroll section so they can explain how they have decided which rate you should pay.

If you are still dissatisfied with any decision made in relation to the Scheme, you have the right to have your complaint reviewed under the Internal Disputes Resolution Procedure. There are also regulatory bodies that may be able to help you.

Internal Disputes Resolution Procedure

In the first instance, you should write to the adjudicator appointed by the body who made the decision that you wish to appeal about. You must do this within six months of the date of the notification of the decision, act or omission about which you are complaining (or such longer period as the adjudicator considers reasonable).This is a formal review of the initial decision or act or omission and is an opportunity for the matter to be reconsidered. The adjudicator will consider your complaint and notify you of their decision. If you are dissatisfied with that person's decision or their failure to make a decision, you may apply to the LGPS pension fund to have it reconsidered.

A leaflet explaining the Internal Disputes Resolution Procedure including relevant time limits is available from your LGPS pension fund.

MoneyHelper

MoneyHelper is provided by the Money and Pensions Service. MoneyHelper provides independent and impartial information about pensions, free of charge, to members of the public. MoneyHelper is available to assist members and beneficiaries of the Scheme with any pension query they have or any general requests for information or guidance concerning their pension benefits. MoneyHelper can be contacted:

By telephone: 0800 011 3797
In writing: Borough Hall, Cauldwell Street, Bedford, MK42 9AB
Website: www.moneyhelper.org.uk/en/pensions-and-retirement/

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

The Pensions Ombudsman (TPO)

If you are unable to resolve the complaint with the Scheme, then you can refer your complaint to TPO. TPO can look at complaints about the way personal and occupational pension schemes are run. This includes things like:

- taking too long to do something without good reason
- not doing something they should have
- not following their own rules or the law
- giving incorrect or misleading information
- not making a decision in the right way.

You have the right to refer your complaint to TPO free of charge. There is no financial limit on the amount of money that TPO can make a party award you. Its determinations are legally binding on all parties and are enforceable in court.

You must contact TPO about a complaint within three years of when the event(s) you are complaining about happened, or, if later, within three years of when you first knew about it (or ought to have known about it). There is a discretion for those time limits to be extended.

You can contact TPO:

> In writing: 10 South Colonnade, Canary Wharf, E14 4PU
> Telephone: 0800 917 4487
> Email: Enquiries@pensions-ombudsman.org.uk
> Website: www.pensions-ombudsman.org.uk (where you can submit an online complaint form).

The Pensions Regulator (TPR)

This is the regulator of work-based pension schemes. TPR has powers to protect members of work-based pension schemes and to help put matters right, where needed. In extreme cases, the regulator is able to fine trustees or employers, and remove trustees from a scheme.

If you have a concern about your pension, you can contact them. Note that TPR cannot help with queries about an individual's pension benefits.

> In writing: Customer Support, Telecom House, 125-135 Preston Road, Brighton, BN1 6AF

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

By telephone: 0345 600 0707
Website: www.thepensionsregulator.gov.uk.

How can I trace my pension rights?

The Pension Tracing Service holds details of pension schemes, including the LGPS, together with relevant contact addresses. It provides a tracing service for ex-members of schemes and their dependants with pension entitlements who have lost touch with previous schemes. All occupational and personal pension schemes have to register if the pension scheme has current members contributing to the scheme or people expecting benefits from the scheme. If you need to use this tracing service:

Telephone: 0800 731 0175
Website: www.gov.uk/find-pension-contact-details

Don't forget to keep your pension providers up to date when you change your home address or other contact details.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Some terms we use

Additional Voluntary Contributions (AVCs)

These are extra payments to increase your future benefits. You can also pay AVCs to provide additional life cover.

All LGPS pension funds have an AVC arrangement in which you can invest money through an AVC provider, often an insurance company or building society. AVCs are deducted directly from your pay and attract tax relief.

Assumed pensionable pay

Assumed pensionable pay is a notional pay figure that Scheme employers must calculate when your ***pensionable pay*** is reduced because you are absent in certain circumstances, such as sickness. This notional pay figure is used to make sure your pension benefits build up as if you were receiving normal pay.

Assumed pensionable pay is also used to work out:

- any enhancement to your pension awarded as a result of ill health retirement
- any lump sum death grant following death in service, and
- any enhancement which is included in survivor benefits following death in service.

Consumer Prices Index (CPI)

The Consumer Prices Index (CPI) is the measure used to adjust your ***pension account*** in the April following the end of every ***Scheme year*** when you are an active member of the Scheme. Each April after you have left the Scheme, it is used to adjust the value of your deferred pension or pension in payment. The adjustment ensures your pension keeps up with the cost of living.

Elected members

In this guide, we refer to all councillors and mayors as elected members. Only eligible elected members can join the LGPS. To be an eligible elected member, the individual must serve as:

as a mayor:

- a mayor and deputy mayor of a combined authority
- a mayor and deputy mayor of a combined county authority
- the Mayor of London, where the authority has determined that the Mayor of London is eligible
- a mayor of a single authority – although access is in their role as a councillor

or as a councillor

- a member of a county or district council (including unitary councils)
- a member of a London borough
- a member of the Court of Common Council of the City of London, where the authority has determined that the member is eligible
- a member of the Council of the Isles of Scilly
- a member of the London Assembly, where the Greater London Authority has determined that the councillor is eligible.

Town and Parish councillors are not eligible for membership.

Eligible children

An Eligible child is:

- a natural child (who must be born within 12 months of your death)
- an adopted child, or
- a stepchild or a child accepted by you as being a member of your family and be dependent on you. This doesn't include a child you sponsor for charity.

Eligible children must be:

- under age 18, or
- aged between 18 and 23 and in full-time education or vocational training. Your LGPS pension fund can continue to treat the child as an eligible child even if there has been a break in full-time education or vocational training, or
- unable to engage in ***gainful employment*** because of a physical or mental impairment and either:
    - under age 23, or
    - the impairment is, in the opinion of an independent registered medical practitioner, likely to be permanent and the child was dependent on you at the date of your death because of that mental or physical impairment.

Eligible cohabiting partner

An eligible cohabiting partner is a partner you are living with who, at the date of your death, has met all the following conditions for a continuous period of at least two years:

- you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your cohabiting partner have been living together as if you were a married couple, or civil partners, and

- neither you nor your cohabiting partner has been living with someone else as if you/they were a married couple or civil partners, and
- either your cohabiting partner is, and has been, financially dependent on you or you are, and have been, financially interdependent on each other.

Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

A survivor's pension would be paid to your cohabiting partner if:

- all the above criteria apply at the date of your death and
- your cohabiting partner satisfies your LGPS pension fund that the above conditions had been met for a continuous period of at least two years immediately before your death.

You are not required to complete a form to nominate your cohabiting partner. However, you can provide your LGPS pension fund with your cohabiting partner's details. On your death, your LGPS pension fund will require evidence that the conditions for a cohabiting partner's pension are met.

Gainful employment

Gainful employment means paid employment for at least 30 hours a week for a period of at least a year.

Normal Pension Age

Normal Pension Age is the age you can take the pension. It is linked to your ***State Pension Age***, but with a minimum of age 65. If you choose to take your pension before your Normal Pension Age, it will be reduced, as it's being paid earlier. If you take it later than your Normal Pension Age, it's increased because it's being paid later.

You can use the Government's ***State Pension Age*** tool (www.gov.uk/state-pension-age) to check your ***State Pension Age***.

Your ***State Pension Age*** may change in the future. If it does, this would also change your Normal Pension Age in the LGPS. Once your LGPS pension is being paid to you, any subsequent change in your ***State Pension Age*** will not affect your Normal Pension Age in the LGPS.

Pension account

Each ***Scheme year*** the amount of pension you have built up during the year is worked out and added into your active pension account. Adjustments may be made to your account during the ***Scheme year*** because of:

- a transfer of pension rights into the account during the year
- additional pension purchased during the year
- a reduction due to a Pension Sharing Order or qualifying agreement in Scotland (following a divorce or dissolution of a civil partnership) and
- a reduction due to an Annual Allowance tax charge that you asked the Scheme to pay on your behalf.

Your account is revalued in the April following the end of each ***Scheme year*** to take account of the cost of living (***Consumer Prices Index (CPI)***).

You will have a separate pension account for each office and for any allowances paid directly to you by a different body to the one you are elected to.

Pensionable pay

See earlier section **What is pensionable pay?**

Qualifying period

To qualify for benefits you must be an active member of the LGPS for at least two years. This is called the qualifying period. It is sometimes called the ***vesting period***.

You can meet the qualifying period before two years if you:

- transferred a pension into the LGPS from a different occupational pension scheme or from a European pensions institution and the length of service you had in that scheme plus your period of LGPS membership is more than two years
- transferred pension rights into the LGPS from a pension scheme or arrangement where you were not allowed to receive a refund of contributions
- previously transferred pension rights out of the LGPS to a pension scheme abroad (ie to a qualifying recognised overseas pension scheme)
- already hold a deferred benefit or are receiving a pension from the LGPS, other than a survivor's pension or pension credit member's pension
- have paid National Insurance contributions as a member of the LGPS and stop contributing to the LGPS in the year you reach ***State Pension Age*** or later
- stop contributing to the LGPS at age 75, or

- you die in service.

Reserve forces service leave

This occurs when a Reservist is mobilised and called on to take part in military operations. The period of mobilisation can be up to a maximum of 12 months. During a period of reserve forces service leave you will, if you elect to stay in the LGPS during that leave, continue to build up a pension based on your ***assumed pensionable pay***.

Scheme year

The Scheme year runs from 1 April to 31 March.

State Pension Age

This is the earliest age you can receive the basic state pension. State Pension Age increased to 66 for both men and women between December 2018 and October 2020. It has started increasing again, rising to 67 between April 2026 and March 2028.

Under current legislation, the State Pension Age is due to rise to 68 between 2044 and 2046.

The UK Government is reviewing the State Pension age using the latest life expectancy data and other evidence. This is part of the periodic review process required under legislation.

You can use the Government's State Pension Age tool (www.gov.uk/state-pension-age) to check your State Pension Age.

Further information and disclaimer

This guide is for councillors and mayors in England and reflects the provisions of the LGPS and overriding legislation as at May 2026.

The national website for members of the LGPS is www.lgpsmember.org. Much of the information on the website is written for employees in England and Wales. The LGPS rules apply differently in some areas for councillors and mayors in England. For more information, see https://www.lgpsmember.org/home/councillors-and-mayors-in-england/.

This guide cannot cover every personal circumstance for councillors and mayors in England. For example, it does not cover:

- rights that apply to those whose benefits are subject to a pension sharing order following divorce or dissolution of a civil partnership
- members whose pension benefits increase in any tax year by more than the standard annual allowance or the tapered annual allowance.

You can find out basic information about the annual allowance in the tax section of the LGPS member website.

In the event of any dispute over your pension benefits, the appropriate legislation will prevail. This short guide does not confer any contractual or statutory rights and is provided for information purposes only.

More detailed information about the Scheme is available from your local LGPS fund. You can find their contact details in the 'Contact your fund' section of the LGPS member website.