

# Pensions Matters

## Winter 2026



Working in partnership with



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## LGPS Employers' Newsletter

We hope you find it informative, as always, we welcome any feedback you may have.



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## Administration Update

The team have continued to ensure all Service Levels are met, details of these are published regularly on the Hampshire Pension Services (HPS) [website](#).

In addition to the day-to-day work, and in the last three months of last year we have:

- Issued active and deferred member newsletters.
- Delivered employer bitesize training workshops.
- Continue to test monthly returns with a small number of pilot employers.
- Worked with employers to complete their data validation declarations where required.
- Run employer focus groups.
- Provided most employers with draft contribution rates following 2025 valuation.

Over the next quarter our focus will be on finalising the 2025 valuation and seeking feedback from member portal users to help us improve experience of the retirement estimate function. With several government consultations issued last year including 'Access and Fairness' and 'Access and Protection' we are also expecting to see some changes to legislation which will need to be considered and implemented.

## Triennial Valuation 2025

Every three years the Fund's actuary is required to perform a valuation to review each employer's funding position and determine the required level of employer contribution rates. The new employer contribution rates become effective from 1 April 2026.

The Actuary is currently finalising the Valuation outcomes to enable formal certification of contribution rates in the 'Rates and Adjustments Certificate' by 31st March 2026.

## Employee Contribution Bands

Following the most recent [LGPC Bulletin 272](#), the LGA have advised of the following 2026/27 employee contribution bands.

Below are the employee contribution bands, which will be effective **from 1 April 2026**. They are calculated by increasing the 2025/26 employee contribution bands by the September 2025 CPI figure of 3.8% per cent and then rounding down the result to the nearest £100.

Contribution table 2026/27			
Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £18,400	5.5%	2.75%
2	£18,401 to £29,000	5.8%	2.90%
3	£29,001 to £47,300	6.5%	3.25%
4	£47,301 to £59,800	6.8%	3.40%
5	£59,801 to £84,000	8.5%	4.25%
6	£84,001 to £119,100	9.9%	4.95%
7	£119,101 to £140,400	10.5%	5.25%
8	£140,401 to £210,700	11.40%	5.7%
9	£210,701 or more	12.50%	6.25%

## 2026 Annual Return

In January 2026, we issued a draft annual return template to employers, to help with planning for the 2026 submission. There are no changes to the data required on the member breakdown tab, however employers and payroll providers should note the prompts for checking data before it is submitted.

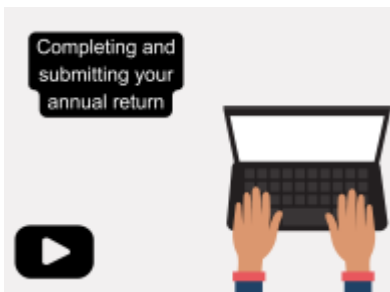


**The 2026 annual return will be due by 30 April 2026 and must be signed off by the Scheme Employer.**

To help prepare, we wanted to remind you of some actions you should be taking, to help put you in the best position and ensure a smooth 2026 annual return process:

- Ensure you are up to date with starter and leaver notifications, as well as notifications for opt outs, 50:50 and main section scheme changes. You can check the members we hold a pension record for, by running a report via the Employer Hub.
- Liaise with your payroll provider (if applicable) to ensure they understand the requirements for annual returns and notifications, as well as the deadline to submit to you the annual return for sign off and submission to Hampshire Pensions.

### **Completing and submitting your annual return – video**



This annual return video is to support employers and/or payroll providers to understand how to complete their annual return.

This is a walkthrough of each tab of the return, the data requirements, as well as tips and hints on ensuring the data submitted is in the required format as well as being accurate.

### [Completing and submitting your annual return video](#)

### **Webinars and clinics**

Annual return webinars will take place between February and April 2026. These will be an opportunity for employers to have a refresh of the process and understand common issues/queries.

We will also be holding annual return clinics during April, to provide opportunity of support to individual employers where needed; these will be advertised shortly.

As always, if you need any support to submit your annual return data accurately and on time do contact us – [pensions.eoy@hants.gov.uk](mailto:pensions.eoy@hants.gov.uk)

## Member Newsletters



During December 2025, we published our annual [active and deferred member newsletters](#). The purpose of these is to ensure continuous member engagement with their pension.

**Action:** Please do promote the active member newsletter to your employees in the LGPS.

## Member Engagement

In 2025 we launched some member webinars, with sessions providing an introduction to the LGPS to help members learn more about their pension. These are aimed at newer members or those with little knowledge of the scheme. These are provided free of charge.

Topics covered during the webinar include:

- How your pension builds up
- How much it costs you to be in the scheme
- When you can take your pension



Members can register for sessions on our [website](#), which are also promoted in the 'Starter Notification' letters that we send. Please also highlight to any new employees/members you enrol.

**The next available webinar is on 23 February 2026.**

## Pre-retirement Course provided by Affinity Connect



For our smaller scheme employers, we wanted to let you know about spaces available for your employees at several Pre-retirement courses. This course is run by Affinity Connect, a retirement specialist.

These workshops are designed to raise awareness of the key issues your employees will need to consider, and decisions they will need to make, as they begin to approach this stage in their life. They are suitable for those employees who think they might like to retire within the next couple of years or so and are just as valuable for those who are not sure at what age they wish to retire, as well as those who have a definite age in mind.

### Up and Coming dates

18 February 2026	13:00 to 15:30	Online
2 March 2026	09:30 to 12:00	Online
17 March 2026	13:00 to 15:30	Online

More information on these courses can be found on our website (along with booking information): <https://www.hants.gov.uk/hampshire-services/pensions/local-government/resources/pre-retirement-courses>

## 2025 Budget Update

Following the Chancellor's budget announcement in November 2025, the LGPS has published an article explaining its impact on Local Government Pension Scheme members— particularly in relation to pension contributions, salary sacrifice arrangements, and AVCs.

You can read the full article here:

<https://www.lgpsmember.org/2025/12/08/budget-2025-and-the-lgps/>

## Consultations

### Access and Fairness

Following an email from the Local Government Association (LGA) to LGPS administering authorities in January 2026, and now the [government response](#) to the Access and Fairness consultation we understand that changes are to be introduced in two phases in 2026.

It is expected that the legislation for the first phase will be laid in early March 2026, with effect from 1 April 2026, and that statutory guidance will follow sometime in April.

Following consideration of consultation responses, there will be some changes to the original proposals. The areas to be in phase one are detailed below:

<p><b>Survivor benefits and death grants</b></p> <ul style="list-style-type: none"> <li>• Equalisation of survivor benefits, with some calculations backdated to 5 December 2005.</li> <li>• Removal of the age 75 limit for death grant eligibility, backdated for deaths from 1 April 2014.</li> <li>• Greater flexibility on death grants not paid within two years, with no automatic requirement to pay to personal representatives.</li> <li>• Removal of the need to nominate a cohabiting partner in the 2008 Scheme.</li> <li>• Clarification that short-term children’s pensions under the 1995 and 1997 Regulations must stop if the child is no longer eligible.</li> </ul>	<p><b>Gender pensions gap – benefits and processes</b></p> <ul style="list-style-type: none"> <li>• Short authorised absences of less than 15 days will automatically be pensionable.</li> <li>• The cost of buying back lost pension for longer authorised absences will be aligned with standard member contribution rates.</li> <li>• Members will have up to 12 months (instead of 30 days) to elect to buy back lost pension, provided they remain in the same employment.</li> <li>• Employers will be able to pay their share of contributions for unpaid periods of more than three years.</li> <li>• The definition of child-related leave will be updated to cover all additional unpaid maternity, adoption and shared parental leave.</li> </ul>
<p><b>Gender pensions gap – reporting</b></p> <ul style="list-style-type: none"> <li>• Basic gender pensions gap reporting will become mandatory for administering authorities from the 2025 valuation, with methodology to be set out in actuarial guidance.</li> </ul>	<p><b>McCloud remedy</b></p> <ul style="list-style-type: none"> <li>• Regulations will be corrected with backdated effect from 1 October 2023 to ensure the McCloud remedy operates as intended in areas such as pension debits, certain death cases, transfers with underpin protection, and interest on Club transfers and compensation payments.</li> </ul>

**Action:** Employers should pay particular attention to the possible changes under the ‘gender pensions gap- benefits and processes’ and be prepared to update systems, documentation and discretions policies, once any legislation is laid.

## Access and Protections Consultation

The Access and Protections consultation issued by MHCLG closed for responses at the end of December 2025. The consultation followed on from the Access and Fairness consultation and included proposals on four key policy areas:

- **Normal Minimum Pension Age** – proposals to implement protections for certain members of the LGPS.
- **Access for Councillors and Mayors** – with draft regulations providing for access to the LGPS and new provisions to make the regulations work for this category of member.
- **Academies** – removing the requirement for Secretary of State consent to substitute LGPS funds in certain circumstances.
- **New Fair Deal** – replacing admission body status and broadly comparable schemes for future contracts and instead using the deemed employer provisions to make the letting authority the Fair Deal employer for protected transferees, with new legislative requirements on relevant contractors, as set out in draft regulations.

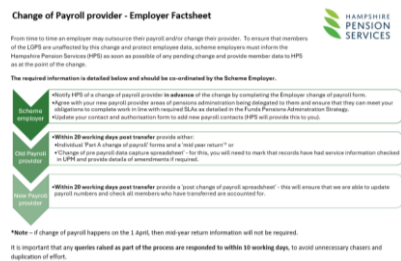
We do not know when a full response by Government will be given to this consultation, however we will keep employers updated as appropriate.

## Changes to your Payroll Provider

If you change your payroll provider, it is important to make Hampshire Pension Services (HPS) aware of these changes as soon as possible. HPS will guide you through the actions required from an LGPS perspective, to ensure there are no impacts to your employee's LGPS pension.

More information on the steps which will need to be followed to ensure a smooth transition can be found on our '[Change of Payroll Provider Factsheet](#)', available on our website.

If you do have any questions or concerns, then please email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk) and someone from the team will get in touch.



## Outsourcing of Services – action needed

Scheme employers who are looking to outsource services (e.g. catering, cleaning) will need to be aware of possible pension implications for any staff transferring who have LGPS entitlement, regardless of whether you, as an employer, directly employ the individual(s) concerned.

**Action:** If you are in the process of, or are thinking of outsourcing a service, please get in touch with our Employer Services team – [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk) as soon as possible so we can provide you with further information and guidance as appropriate.

## Authorised Contacts



To ensure there are no delays or missed communications, please can you ensure you keep us promptly updated with any changes you need to make to your employer contacts and/or authorities that we hold for you.

To do this, please email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk) informing us that you wish to update your employer contact details. Please include your employer's name and reference number in your request.

## Prudential AVC submission



Prudential has put together a [payroll guide](#) to help employers successfully submit payroll information. The guide covers how to format and send payroll information to Prudential and when payments should be made.

### As a reminder

- If there are any errors with the payroll file or your payment, Prudential won't be able to upload the contributions to your member records until the errors are corrected.
- Prudential will contact you to let you know how to correct the errors and will ask you to resend the file.
- Delays to uploading contributions, due to errors in files or payments, may delay the investment date. Prudential will return uninvested contributions to you if they don't receive the corrected information within a reasonable timeframe.

Note: If the payroll file is not formatted correctly, historically Prudential staff have tried to correct any errors. With effect from January 2026, any formatting issue, irrespective of size, shape or importance, will result in the file being automatically returned to the employer. Any delays could result in member claims or settlements being delayed.

If you have any further questions about your payroll files or BACS payments, please email Prudential at [avc.cashschedules@prudential.co.uk](mailto:avc.cashschedules@prudential.co.uk)

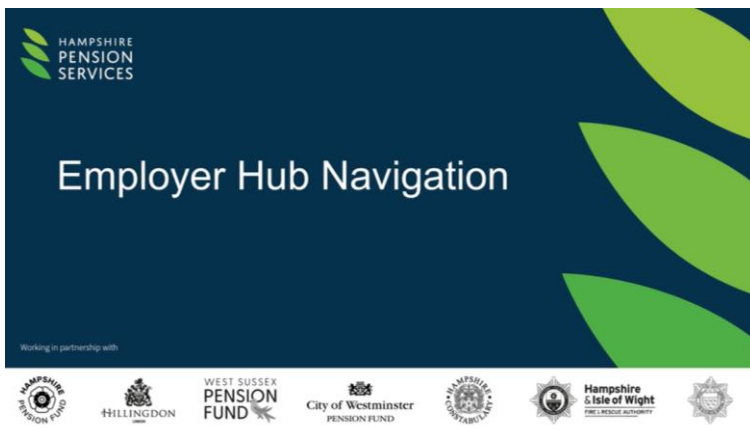
## Employer Hub – Online Services

Please can we remind employers (or payroll providers on their behalf) to utilise the Employer Hub wherever possible to:

- submit individual starter notifications (where a bulk upload is not used)
- submit/upload leaver notifications
- submit changes e.g. 50:50/main section
- run employer estimates
- run reports on active memberships to support in checking starter/leaver notifications have been sent/received
- Employers can now also upload supporting documents (e.g. ill-health certificates, Employer initiated retirement authorisation (EIRA) forms directly within the leaver form process on the Hub



### Employer Hub Video



To support new users, we now have an [‘Employer Hub Navigation’](#) video available on the Hampshire Pension Services Website.

### Employer Hub Demos

To compliment the navigational video, we are continuing to offer users monthly Employer Hub Demonstrations. There is no charge for attendance at these sessions – you can sign up for these via our [Employer training web page](#)

To find out more information on the Employer Hub or to access this, please use the link below:

[Link to Employer Hub](#) or email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk)

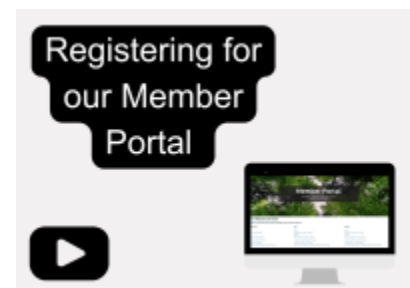
# Member Portal – Update and Developments



## Portal Developments

Improving member engagement with their pension, continues to be a key focus. Over the last year, the following developments have been implemented:

- Enhanced and tailored messaging for members submitting their retirement declaration form, making it clearer on next steps and actions needed.
- A suite of short member portal videos are now available on our [website](#) to support members including:
  - Member portal registration
  - Forgotten user details
  - Completing a membership option form
  - Completing a retirement estimate
  - Completing a retirement declaration form
- Improved our online forms to allow the member to save progress, and return and complete the form at a later time.
- The 'Track My Case' feature is now available for members who have requested a transfer in.



## Current planned and future developments

As part of our ongoing improvements, in 2026 we will be looking at:

### 1. Creating a dedicated area/page on the Member Portal for Benefit Statements.

- More space to include specific messages each year.
- Allows us to monitor who is accessing their statement to help with engagement.

### 2. Reviewing LGPS Member Portal Estimates

- Revisit the information we provide e.g. include reductions for early retirement.
- Look at the feasibility to introduce a modeller for pension to lump sum conversion.

**Action:** With around 60% of active members registered for the Member Portal, please continue to encourage members to engage with their pension by registering and using the Member Portal, including ensuring their personal information e.g. email and home addresses are up to date.

## Pensionable Pay – LGA Bitesize Online Sessions

Did you know that on the [LGPS Regulations and Guidance website](#) there are some quick and simple bite-size training modules to help with understanding and calculating Assumed Pensionable Pay and Final Pay.

### Assumed Pensionable Pay

This bite-size session covers the use and calculation of Assumed Pensionable Pay (APP). APP is a notional pay figure calculated by employers and reported to the administering authority when an employee's pay is reduced because they are absent from work. This notional pay figure is used to make sure an employee's pension builds up as if they were at work receiving their normal pay.



### Final Pay

This session covers how to calculate final pay for members with final salary benefits. It also covers final pay protection where a member's pensionable pay is reduced or restricted in certain circumstances. Final salary benefits were generally built up before April 2014 although information may be needed for members with McCloud protection.

If you do have any further questions on the pensionable pay, please email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk)

## LGA – Employer Role Training

In addition to the Employer training offered by Hampshire Pension Services the LGA also offer training to support Employers understand the scheme and their roles/responsibilities. Please note charges apply for these sessions. You can review the session details and book using the links below:

- [21 April 2026 - Online](#)
- [7 May 2026 - London](#)

If you have any questions with regards to the above training, please email the LGA training team directly: [training.lgps@local.gov.uk](mailto:training.lgps@local.gov.uk)

## Employer Training Bitesize Sessions



We currently run several virtual bitesize training sessions for Employers on various areas of the LGPS to help them with their administration and regulatory responsibilities. Each session is between 45 minutes and two hours long.

Please note that **there is no charge** for attendance at any of the sessions above, we do however ask if you are no longer able to attend, that you cancel your space at least 72 hrs in advance.

The next available sessions are detailed below:

Discretions and Disputes (IDRPs)	1 June 2026	11am
Essentials for LGPS Employers Workshop	10 June 2026	10am
Leavers, Absences and Completing LGPS Forms Workshop	9 February 2026 18 June 2026	10am 10am
Employer Hub Demo	9 February 2026 16 March 2026 20 April 2026	11am 11am 11am
Ensuring Annual Return Success Webinar	25 February 2026 11 March 2026 12 March 2026	10am 10am 10am
Employer Estimates in the LGPS	26 February 2026 22 June 2026	2pm 2pm

For more information and to book your space please visit the [Hampshire Pensions Employer area](#) of our website.

If you are unable to book a place on a course as it is full, please email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk) with details of the course you would like to attend, including how many places you require.

## Employer Focus Group

In November 2025, we ran our Employer Focus Group, engaging with employers and seeking feedback around:

- Employer training including a new offering on 'Estimates'
- Monthly returns
- Online Services – future developments



Minutes from these sessions are available on our [website](#).

If you are interested in participating in future Focus Groups, please email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk).

## Other News

### LGPC bulletins

The LGA have released the following pension bulletins on their website.

<http://www.lgpsregs.org/index.php/resources/news-updates>

#### Bulletin 272 – January 2026

- Closed consultation on Fund Governance – LGPC response
- 2026/27 – employee contribution bands
- PDP consulting industry involvement to deliver private sector dashboards

#### Bulletin 271 – December 2025

- Police and Crime Commissioner future changes
- Automatic enrolment thresholds
- National insurance contributions bill

#### Bulletin 270 – November 2025

- Fit for Future technical consultation
- TPR data quality guidance
- TPR blog on scams

#### Bulletin 269 – October 2025

- LGPS statistics for 2024/25
- September 2025 CPI rate announced
- Pensions dashboard webinar

## Useful Links

[LGPS member website](#)

[LGPS Advisory Board website](#)

[LGPS regulations and guidance website](#)

[Hampshire Pension Services website](#)

[London Borough of Hillingdon Pension Fund](#)

If you have any topics, you would specifically like covered, please let us know for consideration by emailing [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk)

**We hope you find this edition of *Pensions matters* helpful. If you have any comments or queries, please email [pensions.employer@hants.gov.uk](mailto:pensions.employer@hants.gov.uk) and we'll be glad to help.**