



LGPS Pensions Managers
Sent via email

13 March 2018

Dear Pensions Manager

LOCAL GOVERNMENT PENSION SCHEME: ACTUARIAL GUIDANCE

1. Regulation 2(3) of the Local Government Pension Scheme Regulations 2013 provides that the Secretary of State may, after consultation with the Government Actuary's Department, issue actuarial guidance to administering authorities.

2. HM Treasury announced on 22 January 2018 that the government will be extending the interim solution for the GMP equalisation of public service pensions. Public service pensions will be fully indexed for those reaching State Pension Age between 6 December 2018 and 5 April 2021 inclusive.

3. The extension of the interim period affects the following calculations:

- Non-Club cash equivalent transfer values,
- Cash equivalent transfer values for the purposes of divorce, including pensioner CETVs, and
- Non-Club transfers in.

4. I am authorised by the Secretary of State to publish the attached actuarial guidance addendum which contains provisions relating to the calculations listed above. I can confirm that this guidance has been subject to consultation with the Government Actuary's Department as required by Regulation 2(3) of the 2013 Regulations.

5. The addendum has effect from the date of this letter and should be applied accordingly. However, in the following scenarios LGPS administrators should only apply the addendum if it would be in the member's interests to do so.

a. Ongoing cases where a Non-Club CETV out quotation was provided to a member before the date of this letter and the member elects to transfer within the guarantee period.

b. Ongoing cases where a Non-Club transfer in credit quotation was provided to a member before the date of this letter and the member elects to transfer within any guarantee period from the sending scheme.

In all other scenarios the addendum should be applied to all relevant cases with immediate effect. If you have any queries about this guidance or related matters please contact LGPensions@communities.gsi.gov.uk.

6. I understand that the LGA also plan to publish this guidance on their website at: <http://lgpsregs.org/schemeregs/actguidance.php>.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lori Broadfield". The signature is written in a cursive, flowing style.

Local Government Finance Reform and Pensions Division