lgps

Shropshire County Pension Fund

Pension Update

For members of the Local Government Pension Scheme (LGPS) | **Summer 2026**

Welcome to the 2026 LGPS newsletter. This newsletter is for people who pay into the Local Government Pension Scheme (LGPS). We have produced this newsletter jointly with other LGPS funds. If you would like more information about your pension benefits, contact Shropshire County Pension Fund.

Round-up

About the LGPS
The LGPS has been a career average pension scheme since 1 April 2014. This means your pension is based on your average pay over your working life. Each year, some of your pensionable pay is added to your pension account. This amount is adjusted to match the cost of living. It's then added to your total pension.

Cost-of-living adjustments
Every April, your pension is adjusted. In April 2025, the adjustment went up by 1.7%. This follows the Consumer Prices Index (CPI). You'll see this increase reflected in your pension statement. This statement covers 1 April 2025 to 31 March 2026

Important reminder
Please check your pension statement. Make sure your 2025/2026 pensionable pay is right. This pay affects how the pension grows. Your employer gives us your pay details. If something is wrong, contact your employer as soon as you can.

Looking ahead
The cost-of-living increase for April 2026 is 3.8%. This increase will be included in your 2026 pension statement.

Enhanced security for your 'My Pension Online' account

My Pension Online:
Get to know your pension
Manage your LGPS pension savings with ease using the secure My Pension Online members portal on our website. The portal allows you to review your pension details, estimate future benefits and more.

We are committed to keeping your pension account safe. To help achieve this we have introduced SMS (text message) verification to the My Pension Online portal.

This additional level of security will send a unique one-time passcode to your mobile phone by text message each time you log in.

This will replace the one-time passcode traditionally sent to your email address, making logging in to your account faster and more secure.

Does this change affect me?

Yes, this change will apply to all members using the My Pension Online portal:

- **New members** registering for the first time will set up SMS verification as part of the registration process.
- **Existing members** who are already registered will be prompted to set this verification up the next time they log in.

Setting up SMS verification – What do I need to do?

Setting up SMS verification involves 4 simple steps, will be quick and only needs to be done once.

Step 1: ....

- When you log in (or when registering), you will be taken to the introducing SMS verification page explaining the change and what you will need to do.
- Select 'Continue' to go to the Set-Up SMS verification page.

Step 2: ....

- You will then need to enter your mobile phone number.
- The number will be securely stored and only used to send your one-time passcodes (OTP) going forward.

Step 3: ....

- A unique code will be sent to the mobile number you provided.
- You will need to enter this code on screen to confirm your number and complete the setup.

Step 4: ....

- Once verified, SMS verification will be active on your account.
- Future logins will use text message verification instead of email.

If you haven't already – register today!

Here's how to create your 'My Pension Online' account*

- **Visit the My Pension Online members portal:** https://mypension.shropshirecountypensionfund.co.uk/login
- **Click on 'Create an account' and follow the online instructions.**
  Please have your National Insurance number ready as it's needed to create your account. When asked for your email address, we strongly recommend you use a personal email address so we can contact you if your circumstances change.

*If you already have an account and **have not accessed it since October 2024,** you need to create a new account on the portal. You will only need to do this once.

For further assistance, check out the My Pension Online FAQs page and view our guide:
https://www.shropshirecountypensionfund.co.uk/contributing-member/my-pension-online-frequently-asked-questions/

Scheme changes – Improving access and fairness in the LGPS

The Government has confirmed a series of changes to the Local Government Pension Scheme (LGPS) to make the LGPS fairer for all members. Most changes took effect from 1 April 2026, and some applied retrospectively. Here is a summary of the key changes and what they may mean for you. For more information about the recent scheme changes, please visit the News section on the Fund's website: www.shropshirecountypensionfund.co.uk/news/improving-access-and-fairness-when-it-comes-to-your-pension/

Fairer survivor benefits: From 1 April 2026, survivor pensions are calculated more consistently to ensure equal treatment regardless of the sex of the deceased member or their surviving spouse/civil partner.

Some survivor pensions will be increased as more of the member's service before April 2014 will now count and may become payable for the first time – this is most likely to affect male survivors of female members who left the pension scheme before April 1988.

You do not need to take any action: We will identify any affected cases and contact you if a review applies. This is a complex exercise. We will work through the legislation, identify potential cases and then recalculate pensions. The government department responsible for the LGPS has issued statutory guidance setting out an overall timescale of 18 months from the date the legislation took effect.

Changes to death grants: There are also changes to the rules around death grants:

- **Age limit removed:** A lump sum death grant may now be paid even if a member dies after age 75.
- **More flexibility:** Pension funds can now use discretion to decide who receives a late death grant. This means the death grant will be taxed at each beneficiary's marginal rate of tax, rather than the 45% charge that applies when it is paid to personal representatives. A 'late' death grant is usually one that is not paid within two years of the date of death.

Stronger protection during time off work: The following changes were introduced from 1 April 2026 to help reduce the gender pensions gap by strengthening pension protection when members are away from work:

1. **Child related leave**

From 1 April 2026, you will continue to build up pension as if you were on normal pay during:

- unpaid additional maternity leave
- unpaid additional adoption leave (weeks 27–52)
- unpaid shared parental leave

This extends the existing LGPS rules whereby if you are away from work with no pay because of ordinary maternity or adoption leave (first 26 weeks), your pension continues to build up as if you were receiving normal pay.

2. **Unpaid leave (authorised by your employer)**

- **Less than 15 days:** your pension continues to build up during your break. You and your employer will both pay the normal pension contributions (this excludes strike action).
- **15 days or more:** the break does not count automatically, but you can choose to buy back the lost pension.

3. **For unpaid leave of 15 days or more, new Qualifying Additional Pension Arrangement (QAPA) rules apply, including**

- More time to decide whether to buy back the lost pension.
- Contributions based on your normal contribution rate.
- The pension you buy mirrors the pension you would have built up if you had been at work.
- No medical report is required.

See the LGPS members website: https://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-lost-pension-calculator/

The Normal Minimum Pension Age (NMPA) is changing

The UK Government has announced future changes to the Normal Minimum Pension Age (NMPA). The NMPA is the earliest age from which pension schemes can allow members to access their workplace or personal pensions for reasons other than ill-health. The NMPA will increase from age 55 to age 57 with effect from 6 April 2028.

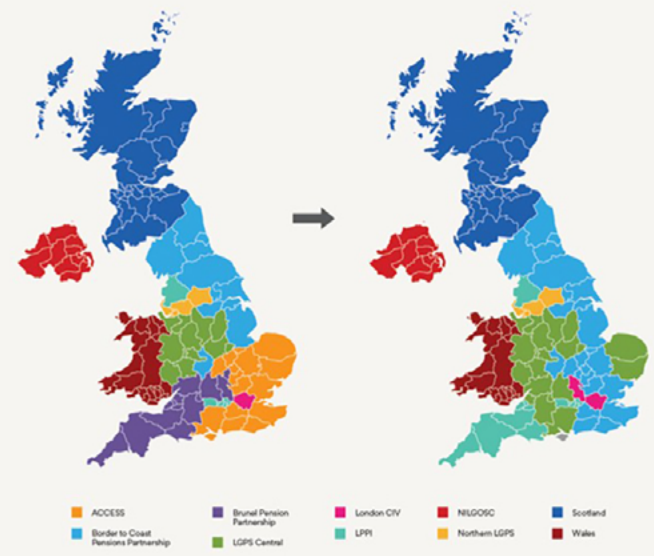
You may be protected from this increase (and retain NMPA of 55) if:

- you joined the LGPS before 4 November 2021
- if you transferred a previous pension into the LGPS and certain conditions are met.

The Ministry of Housing, Communities and Local Government (MHCLG) makes the LGPS rules, and any possible protections will be dependent on these rules.

MHCLG has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57 from 6 April 2028 onwards. Further updates will be provided if MHCLG changes the Scheme rules to reflect the increase in the normal minimum pension age.

All change at LGPS Central



How Pension Investments are managed has been in the news recently with the passing of the Pensions Bill. The Government introduced the idea of pooling 10 years ago and seven pools were set up to assist with the investments of the LGPS in England. The Shropshire County Pension Fund was originally one of eight funds that set up LGPS Central. Fast forward to today and under the Government's "Fit for the Future" review the number of pools is being reduced from seven to five.

LGPS Central were selected as one of the five continuing pools and as a result of the reduction, will see seven new Funds join from 1 April 2026. The map below shows the changes across the UK. (Note there have been no changes to Scotland, Wales or Northern Ireland from the review).

The expansion of LGPS Central, with the addition of Hampshire, Isle of Wight, Norfolk and Suffolk from the former Access Pool and Gloucestershire, Oxfordshire and Wiltshire from the former Brunel Pool have oversight on assets approaching £100Bn in value. LGPS Central will become the principal investment advisor to all the member funds.

The pools have been tasked with developing local investment options that will deliver investment into UK private markets.

As we move forward the strong partnership the Fund has developed with LGPS Central will continue to develop to ensure all our strategic needs can be met.

Are your nominated beneficiaries up to date?

As a deferred member of the LGPS, if you die before taking your pension, a lump sum death grant may be paid to one or more people you have nominated (your beneficiaries).

The amount payable depends on when you left:

- **Left after 31 March 2008**
  A lump sum equal to five times your deferred annual pension is payable.
- **Left before 1 April 2008**
  A lump sum equal to three times your deferred annual pension is payable.

However, if you are also an active member of the LGPS when you die, the death grant payable is the higher of your deferred death grant as calculated above, or the death grant payable in respect of your active membership.

If you hold more than one deferred LGPS benefit, a separate death grant will be payable from each deferred benefit, provided you are not also an active LGPS member at the time of your death.

You can complete an "expression of wish" to tell us who you would like to receive any death grant. While any expression made is not legally binding, it helps guide the Fund's decision. The Fund retains absolute discretion over the final payment. If you are considering nominating a child under age 18, you may wish to seek independent legal advice, particularly about setting up a trust.

To make or update your expression, log on to our online member portal. **We recommend reviewing your nomination regularly and updating it if your personal circumstances change.**

Pensions Dashboards update

You may have already received previous communications about the introduction of the Pensions Dashboard. In the past twelve months, the Fund has connected to the Pensions Dashboard.

The Pensions Dashboard is an online tool which will allow you to securely locate and view all your pension information in one place including your LGPS benefits, State pension and any other pension savings you may have accumulated over the years.

The Government is prioritising a non-commercial dashboard which will be provided by The Money and Pensions Service (MaPS), an arm's-length body of the Department for Work and Pensions. This will be available on the MoneyHelper website, the government backed money and pensions guidance service. It will be open to all savers with a pension built up in the UK that has:

- not yet been accessed, or
- is not currently being paid (for the State Pension, you must be under State Pension age).

Commercial dashboards will follow later, provided by banks and other financial bodies.

We don't yet know when dashboards will be available to the public. However, their development has taken an important step forward with the second phase of consumer testing for the MoneyHelper Pensions Dashboard (MHPD) now underway. This will support further refining and improving of the service before it is publicly available.

Over the coming months, MaPS are looking to build up the pool of people interested in testing the dashboard. This is so they can gain valuable insights from a broad range of participants and increase volumes over time.

For more information on Pensions Dashboards, please visit:
www.pensionsdashboardsprogramme.org.uk

Topping up your pension - Different ways to pay more

Are you thinking about paying more into your pension? Adding extra contributions can help increase your income in retirement and give you greater financial security in the future.

There are two main ways you can top up your pension:

1. **Additional Pension Contributions (APCs)**
2. **Additional Voluntary Contributions (AVCs).**

Additional Pension Contributions (APCs)
APCs allow you to buy extra annual pension. You can choose to pay regular monthly contributions from your salary or by making a one-off lump sum payment. The contributions benefit from tax relief. You must be in the main section of the scheme (not 50/50) to start APCs and the extra pension you buy will increase each year with the cost of living and will be paid to you when you retire.

The cost of APCs depends on your age, how much extra pension you want to buy, and how you choose to pay. The maximum extra pension you can buy is **£9,054.**

If you want to start paying APCs, please visit the online APC calculator: www.lgpsmember.org/help-and-support/tools-and-calculators/buy-extra-pension-calculator/

Additional Voluntary Contributions (AVCs)
Instead of buying extra pension, AVCs build up a separate pot of money in your name.

When you pay AVCs, you choose how your money is invested from a range of available funds. You can change your investment choices or stop contributions at any time.
In most cases, you can contribute up to 100% of your pensionable pay, providing there is enough left to cover your main pension contributions and National Insurance.

Your options at retirement
When you take your pension, you can choose to:

- take some or all of the AVC fund as tax-free cash (subject to HMRC limits),
- buy extra pension in the LGPS,
- buy a guaranteed income for life (an annuity), or
- choose a combination of these options.

Shropshire County Pension Fund's 'In-House' AVC provider is Prudential. To find out more about AVCs, please visit their website: https://workplacepensions.mandg.com/employees/public-sector-avc-schemes/local-gov

Shared Cost AVCs
Some employers offer AVCs through a **Shared Cost AVC (SCAVC)** arrangement, which uses salary sacrifice.

With salary sacrifice:

- You agree to give up part of your salary, and your employer pays this amount into your AVC instead.
- You do not pay tax or National Insurance on the amount paid into the AVC.
- Your employer also pays lower National Insurance.

Both APCs and AVCs count towards your annual allowance set by HMRC, and you can pay into both at the same time.

Before making any decisions, it's important to consider your personal circumstances. You may also wish to seek independent financial advice. **For more information, please contact your pension fund.**

Opting Out, the 50/50 Scheme and Re Enrolment

With the cost of living crisis continuing to put pressure on household budgets, you may be considering ways to reduce your monthly outgoings. One option you might look at is reducing your pension contributions.

Membership of the pension scheme is not compulsory, and you can choose to opt out if you wish. However, you should never be encouraged not to join the pension scheme.

Before making any decision, it's important to think very carefully. The Local Government Pension Scheme (LGPS) is a valuable benefit, and opting out could significantly reduce your income in later life and have a lasting impact on your retirement.

The 50/50 Scheme – An Alternative Option
If finances are tight, you may wish to consider the 50/50 Scheme as an alternative to opting out altogether.

Under the 50/50 option:

- You pay half your normal pension contributions
- You build up pension benefits at half the normal rate
- You retain full life assurance and ill-health cover, which you would lose if you opted out completely

The 50/50 scheme is designed as a **temporary measure,** and you can move back into the main scheme at any time.

Re Enrolment
Whether you opt out or join the 50/50 scheme, your employer is **required by law** to re enrol you into the main pension scheme **every three years,** provided you meet the eligibility criteria.

Opting Out and Re Joining
If you do decide to opt out, you are able to **re join the main scheme at any time,** provided you are eligible.

Top tip: Check with your employer when your next re enrolment date is due, so you're not caught out by an unexpected pension deduction in that month's pay.

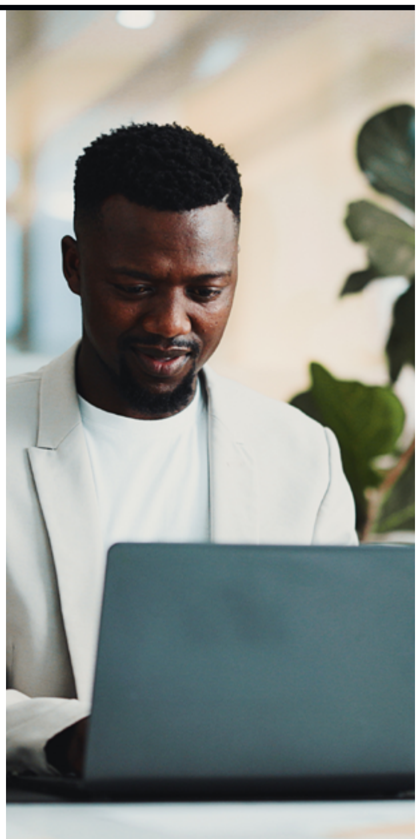
What you need to do to:

- join the 50/50 scheme
- opt out
- opt back in

is **complete and sign the relevant form.**

If you're still unsure which option is right for you, we strongly recommend seeking advice from an **independent financial adviser.**

For further information or support, please contact the Pensions Team at:
www.shropshirecountypensionfund.co.uk/contact-us



Understanding your pension with videos

If you'd like a clearer understanding of your LGPS pension and the options available to you as a scheme member, but don't have much time, the Pensions Made Simple videos are perfect to watch. These short videos offer a quick summary of important topics, including "How your pension works," "Protection for you and your family," "Life after work," and "The McCloud remedy."

To watch the videos, visit:
www.lgpsmember.org/help-and-support/videos/

£48,000 lost daily to Pension Fraud

Pension scams are an ever-growing threat, with criminals becoming increasingly sophisticated in their tactics to steal your pension.

In 2024, Action Fraud reported that over £17.5 million was lost to pension fraud - roughly £48,000 every single day - with victims losing an average of £33,800 each. The true scope is likely higher, as many cases go unreported.

There are different types of pension scam, but they can all lead to the possibility of you losing a lifetime's worth of savings in an instant. Action Fraud has identified two common scammer tactics:

1. **Investment fraud,** where high-pressure tactics are used to push victims into hasty decisions.
2. **Impersonation,** where scammers pose as you to access your pension by obtaining sensitive information such as passwords.

Remember, the fund will never ask for these details.

Being alert to the following could protect your pension:

- Contacting you out of the blue by phone, text or email, promising quick cash, loopholes or pension loans.
- Promises of high or guaranteed returns.
- Pressure to act immediately on time-limited opportunities.

There are ways to help avoid pension scams:

- Never share personal or financial information with a cold caller - hang up immediately.
- Always seek advice from an independent Financial Conduct Authority-authorised adviser before making any decisions.
- If an offer sounds too good to be true, it almost certainly is.

Shropshire County Pension Fund has signed up and have self-certified as meeting the industry standards of The Pensions Regulator's pledge to combat pension scams and protect scheme members.

If you think you have fallen victim to a pension scam, report it by contacting Action Fraud:

Tel: 0300 123 2040
Website: www.reportfraud.police.uk

Contacting the Pension Team

01743 252130
www.shropshirecountypensionfund.co.uk/contact-us/
www.shropshirecountypensionfund.co.uk
Pensions, PO Box 4826, Shrewsbury, SY1 9LJ

Helpdesk phonelines are open: Monday, Tuesday, Thursday 10am - 4pm.
Wednesday and Friday 10am - 1pm (excluding bank holidays)

Office hours
Monday to Thursday:
8.45am to 5pm
Friday:
8.45am to 4pm
All of our newsletters are available to view online.