

Consultation Paper on Short Term Changes to the LGPS from 1 April 2012

The statutory consultation on the changes to the LGPS from 1 April 2012 was published late this afternoon and full details can be found at <http://www.communities.gov.uk/documents/localgovernment/pdf/2004147.pdf>. The primary aim of the exercise is to achieve a cost saving of £900m by 2014-15.

As expected, the consultation on the changes is centred around the following principal areas:

- increasing member contributions from 1 April 2012
- a reduced rate of benefit accrual from 1 April 2013 and/or 1 April 2014
- an increase in the normal pension age

The options put forward in the document from the CLG focus solely on the change in member contributions and reduction of benefit accrual, but respondents are invited to put forward alternative and suitably costed proposals which could include a change in normal pension age. In addition, comments are invited on making a change to the Regulations to allow Fund actuaries to adjust employer rates from 1 April 2012 to reflect changes in the run up to the 2013 valuation.

The closing date for responses is 6 January 2012 although consultees who wish to put forward alternative proposals are requested to signal their intent to do so by 28 October. The cost information supporting any alternative proposals is required by 25 November.

We will consider the information and provide further commentary and analysis shortly.

If you have any queries on the content of this NewsAlert, please contact Paul Middleman (0151 242 7402 or paul.middleman@mercer.com) or alternatively your usual Mercer consultant.

© 2011 Mercer LLC
All rights reserved.

Mercer Limited
**Local Government Advisory
Services Team**
Mercury Court
Tithebarn Street
Liverpool L2 2QH
Tel: 0151 236 9771
Fax: 0151 242 7346



Mercer Limited is authorised and regulated by the Financial Services Authority
Registered in England No. 984275 Registered Office: 1 Tower Place
West, Tower Place, London EC3R 5BU

