Pensions Fund Committee
1 March 2026
Pensions Administration

For Review and Consultation

Local Councillor(s): All

Executive Director: S Cremer, Corporate Director, Section 151 Officer

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Report Status: Public

Brief Summary:

This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund. It contains updates on the following:

- Key Performance Indicators
- Dashboard Update
- McCloud Update
- Overseas Pensioner Mortality Screening
- Access and Fairness

Recommendation:

It is recommended that the Committee note and comment on the contents of the report.

Reason for Recommendation:

To update the Committee on aspects of Pensions Administration.

1 Background

1.1 This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund.

2 Key Performance Indicators

2.1 The key performance indicators (KPIs) are attached at Appendix 1. These are for the period 01/11/2025 - 31/01/2026. The previous quarter is included for reference.

2.2 Performance against the KPIs for the Top 10 cases improved compared to the previous quarter. Cases completed on time or early rose slightly from 97.23% to 98.06%.

3 Pensions Dashboard Update

3.1 The Pensions Dashboard is being introduced to provide individuals with a secure, single online view of all their pensions, this includes workplace, personal, and the State Pension. It is designed to help members track down any lost or forgotten pensions, understand their overall retirement position, and make informed decisions about future planning. The Pensions Dashboard is due to go live by 31 October 2026.

3.2 Dorset County Pension Fund successfully completed Phase 2 of the implementation in early October. This phase included the configuration of the Live database in preparation for system connectivity.

3.3 MoneyHelper, who will host the Pensions Dashboard once it goes live to the public, are currently contacting schemes to invite members to take part in consumer testing for Phase 2 of the Dashboard programme. The purpose of this testing is to gather feedback and ensure the system is functioning as expected prior to the official public launch, the timing of which will depend on the outcomes of the testing.
Phase 2 is scheduled to run from March 2026 through to Q1 2027**.**

3.4 Dorset County Pension Fund are considering their options on how to reach out to their members to sign up for the testing.

4 McCloud Update

4.1 We have contacted all 91 LGPS funds to verify members' eligibility under McCloud. To date, 57 responses have been received. Pension records will be updated where service with other fund(s) brings members into scope for McCloud.

4.2 The next scheduled software delivery was on 26 February and addresses additional issues identified following the previous releases. The Dorset County Pension Fund Administrators received internal training on the new processes on the delivery date

4.3 Administrators will be able to pay any retrospective underpin payments due to pensioners over the coming months.

4.4 Any outstanding McCloud deliverables are scheduled for completion in Quarter 2 of 2026.

4.5 Guidance on teachers' excess service remains outstanding.

4.6 'Business as usual' processing continues for retirements and deferred members identified as being in scope for McCloud.

4.7 Dorset County Pension Fund will be able to provide McCloud member statistics in the next Pension Administration Report.

5 Oversea Pensioner Mortality Screening

5.1 Dorset County Pension Fund's 2025 mortality screening for pensioners was carried out by the external provider Target Professional Services, at a cost of £47,820 excluding VAT.

5.2 The project with Target was completed on 12 January, at which point the final report was issued. Target verified 375 members, after which Dorset County Pension Fund assumed responsibility for the remainder of the work.

5.3 Following receipt of the report, the fund attempted to contact all outstanding pensioners for whom an email address was held. Any pensioner without a known email address was suspended at this stage. A total of 49 pensioners were emailed, and 30 have since responded. A number of these had changed address without informing the fund.

5.4 At the beginning of March 27 pensioners remain suspended, representing £109,714.10 in annual pension. An additional four pensioners were initially suspended but have since contacted the fund.

5.5 Eight members were identified as having died; however, only one of these deaths can be confirmed as having been detected through the screening process. The total pension overpaid to deceased members amounts to £843.72, which the fund has requested be repaid.

6 MHCLG Response to Access & Fairness Consultation

6.1 MHCLG has confirmed it will implement changes to the LGPS in two phases, with the first set of amendments taking effect from 1 April 2026. This is a very challenging timetable with payroll and pensions software requiring changes.

6.2 Key Changes from April 2026

6.2.1 Death Grants & Survivor Benefits

- Equalisation of survivor benefits.
- Removal of age 75 limit for death grant eligibility.
- Removal of two year rule requiring payment to personal representatives.
- Cohabiting partner nomination no longer required for deaths between 2008–2014.
- Minor updates to children's pension provisions.

6.2.2 Qualifying Additional Pension Arrangements (QAPAs)

- New cost basis for buying back pension lost during authorised unpaid absence for 15 days or more. This will be based on member and employer normal contribution rates.
- One year window to apply, provided the member is still active in the same role.
- Employers can contribute during unpaid absences over three years.
- Bought pension will count for survivor benefits and is unreduced on redundancy / efficiency retirement.
- Applies only to absences beginning after 31 March 2026; existing rules continue for earlier breaks.

6.2.3 Gender Pensions Gap Measures

- Compulsory contributions during unpaid absences of 14 days or less, contributions based on 'lost pay'.

- Assumed Pensionable Pay to apply during unpaid additional maternity, adoption, and shared parental leave (for absences starting after 31 March 2026).
- Mandatory gender pensions gap reporting from the 2025 valuation, with enhanced reporting from 2028.

6.2.4 Lifetime Allowance (LTA) Removal

- All LTA references removed from regulations.
- New long term pension commencement excess lump sum (PCEL)maximum set at 25% of capital value (subject to contracting out limits).
- Applies to PCELS paid after 31 March 2026

6.2.5 McCloud Remedy

- New underpin provisions for members joining after age 65 with transferred remediable service.
- Technical corrections on deaths, pension debits, pension credit calculations, and interest on compensation.

6.2.6 Other Changes

- Minor technical wording updates.
- Updated definition of paternity leave.
- Small pot payments allowed for pre-April 2008 membership where criteria are met.

6.3 The statutory instrument delivering these changes is expected in March 2026. A special bulletin with full details and transitional arrangements will follow. MHCLG will also issue updated statutory and actuarial guidance.

6.4 Remaining consultation proposals (e.g., changes to five-year refund rules) will be implemented later in 2026.

7 MHCLG Response to Access for Elected Members Consultation

7.1 MHCLG has published a partial response to the Access and Protections consultation. This response covers only one of the four policy areas in the consultation – pensions for elected members.

7.2 The Government has confirmed that it will proceed with plans to extend the LGPS to councillors and mayors in England. This change will give access to the LGPS to:

- All mayors and deputy mayors in England.
- All councillors at principal authorities in England.
- All London Assembly members.

7.2 The regulations are expected to come into force on 11 May 2026, the first Monday after the local elections.

7.3 The Government acknowledges that bringing elected members into the LGPS will place additional administrative demands on administering authorities and employers. However, the Government believes this will help talented people come into public service and ensure consistent treatment in terms of pension provision across the UK.

7.4 Elected members who wish to join will be required to opt in to the Scheme under regulation 3(6) of the Local Government Pension Scheme Regulations 2013.

7.5 The LGA are continuing to work with MHCLG to consider and resolve any technical queries on the regulations. A special bulletin, planned for April, that will set out the key differences between elected and non-elected member participation in the LGPS and outline the actions administering authorities will need to take.

7.6 The LGA member website will be updated with a brief guide for councillors and mayors in England.

8 Financial Implications
N/A

9 Climate Implications
None

10 Well-being and Health Implications
None

11 Other Implications
N/A

12 Risk Assessment

12.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:
Current Risk: N/A
Residual Risk: N/A

16. Equalities Impact Assessment
N/A

17. Appendices
Appendix 1 – KPIs (1 November 2025 to 31 January 2026)

18. Background Papers

LGPS Regulations 2013

MHCLG consultation on Scheme improvements (access and protections)

McCloud statutory guidance

Homepage | UK Pensions Dashboards Programme

The Pensions Dashboards Regulations 2022