



Unite response to the Ministry of Housing, Communities & Local Government Consultation on the Local Government Pension Scheme (LGPS) in England and Wales: Access and fairness – 7th August 2025

Introduction

This response is submitted by Unite the Union, the UK and Ireland's largest trade union representing over one million members across all sectors of the economy including transport, manufacturing, financial services, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not-for-profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our Union.

Unite has facilitated and negotiated pension benefit changes, agreed between members and employer, for many schemes. It is a key part of our role to balance the benefits provided, cost of that benefit provision and the risk that the scheme can afford to take, recognising the impact that this has on the funding level, investment strategy and affordability.

The most important consideration is pensions adequacy, which should drive decisions relating to pensions investment. The Government should enact policies to support the re-opening of Defined Benefit (DB) schemes (and the reinvigorating of DB provision) which in turn would affect their investment strategies. Workers must have at least equal representation to employers in the governance of all pension funds. Investment policies adopted by pension funds must have an explicit pro-worker approach, supporting unionisation at investee companies and assets.

Unite supports the Government's intention to improve access and fairness to the LGPS. In particular the proposals to address survivor pensions and deaths grants, address the Gender Pension Gap in the LGPS and the collecting of data on how many members opt out of the scheme and why.

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Survivor Pensions and Death Grants

Unite supports the proposals to address survivor pensions and death grants and aims to fix historic discrimination and ensure equal access to the scheme, regardless of the sex of the eligible member and those they leave behind on death.

Although Unite welcomes this overdue progress, the position for cohabitants remains unresolved.

The area of partner's pensions is one that has already been challenged successfully with Walker v Innospec and more recently the Goodwin case. Once the changes are made to the LGPS for Goodwin (equalising widower pensions) then the only area of inequality will be cohabiting partners, so we think it is inevitable a challenge will come at some point.

Currently a member has to have left the LGPS on or after 1 April 2008 in order for a cohabiting partner's pension to be paid. There has already been a legal challenge on this and the claimant lost. We believe she was given leave to appeal but withdrew – see <https://www.gov.uk/employment-tribunal-decisions/ms-c-harvey-v-london-borough-of-haringey-and-others-3329279-2017>

When Unite has pushed previously on this, we have been told that the HMT position is unchanged i.e. the long-standing policy, which successive governments have upheld, remains - that retrospective improvements

to public service pension schemes should not be made at taxpayer expense.

With regards to retrospective changes at tax payers expense, Unite would have thought the cost to taxpayers is negligible. Unite wouldn't have thought the number of people involved is that great and is diminishing every day as pre 2008 retired members die. The vast majority of cohabitants wanting equality will be over 81 years of age as of now.

Unite would be extremely interested to know how HMT calculate any costs associated with retrospective changes for cohabitants.

Ultimately Unite believes that the Government should bring cohabitants within scope also.

Gender Pension Gap in the LGPS

Unite supports the proposals to close the Gender Pension Gap in the LGPS, with a focus on access to the scheme benefits for women.

However, why does authorised absences have to be limited to under 31 days?

Ultimately if they are authorised then why is there a need for a time stipulation. Unite believes that all authorised absences should be automatically pensionable with no time limits.

In addition, the Government believes that the cost of buying back lost pension for unpaid absences over 30 days disproportionately affects female members of the scheme. The total cost of buying back lost pension is calculated in accordance with Regulation 16(7) of the 2013 Regulations, using actuarial factors that account for age and gender. Where a member chooses to buy the pension back within the time limit, currently 30 days after returning to work, the total cost is split two-thirds to the employer, one-third to the employee, in accordance with Regulation 15(5).

The pension contribution rate for active members is determined by Regulation 9 or 10, and by the member's pensionable pay, not their age or gender. When buying back lost pension, factors based on age and gender are used, and the effect of this can be that the cost to members is greater than the contributions they would have paid had they not taken the leave.

Unite agrees that this is not an acceptable cost for members but again if we didn't have a time limit in the first place as Unite proposes above then would there be a need to calculate what the pension buy back rate is for over 30 days?

Ultimately Unite believes we must do everything to incentivise female members to buy back pension at the most attractive rates and if we cannot do this then the Government should legislate that employers pick up the cost if we truly want to do everything we can to close the Gender Pensions Gap.

People who opt out

Unite supports the proposals to require the publication of opt-out data in the Annual Report and the collection of additional opt out data through the publishing of a Gov Form to be used by administering authorities when individuals opt out of the scheme.

However, the most important thing it to find out is why they are opting out and if it is to do with cost that they are made aware of the 50/50 option. So, Unite believes that any changes to the collection and reporting of data should include reasons for leaving, as well as the 50/50 option being simultaneously promoted when members give cost as the reason.

Forfeiture

Unite doesn't object to the proposals with regards to forfeiture but it is unclear what the Government's driver for this is.

Beyond all of this, what must remain is a fair system where there is a right to appeal and be represented by a trade union.

McCloud Remedy and Other Regulation Changes

Unite supports the several technical changes to improve the day-to-day running of the scheme.

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John Neal – National Pensions Officer, Unite the Union