



## Press Cutting

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# LGPS seeks greater influence in reforms

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Local government pension scheme (LGPS) representatives will present the Treasury with a raft of reform proposals – including 1/70ths accrual – at a meeting tomorrow.

The move represents a bid to take initiative in the reform process, which has previously been dominated by politicians and trade unions.

A change in accrual rate, currently 1/60ths, is aimed at limiting employee contribution hikes (first reported in *PW* 03/05/11).

The proposal is contained within a green paper created by the London Pension Fund Authority (LPFA) and will hope to influence discussions on contributions taking place this

month between the government, unions and employer representatives.

The idea is already popular among other LGPS members, including Brian Bailey of the West Midlands Pension Fund.

The LPFA paper also contains proposals for employees to be given the choice of paying more to retain 1/60ths accrual, as well employer cost ceilings for total and future service.

Mike Taylor, chief executive of the LPFA, sees the paper as seizing the initiative on the Hutton proposals, which he believes have been overshadowed by the move to raise contributions next April.

“We, along with many others, were concerned the contribution increases could

destroy the scheme before Lord Hutton has the chance to fix it,” he told *PW*.

The move follows a recent discussion about handing responsibility for LGPSs to the Pensions Regulator, held between scheme representatives and various government bodies, including the Department for Work & Pensions and the Department for Communities and Local Government (DCLG).

This is currently the remit of the DCLG, which is keen to relinquish the responsibility to a more qualified body.

The regulator is divided on the matter, with some seeing it as too much for its limited resources, while others are said to be keen on ‘empire-building’.