

## **LPFA welcome separate contribution talks for LGPS**

London Pensions Fund Authority (LPFA) one of the largest Local Government Pension Scheme (LGPS) funds in England today welcomed the news that separate discussions are to take place on employee contributions.

LPFA's Chief Executive Mike Taylor said:

'We have been making the case for some time now that the LGPS should be looked at separately due to its funded nature. Firstly with funded schemes it is not a simple case that increasing employee contributions automatically brings down those of the employers. Secondly although we do not disagree that a rebalancing of risk and cost should happen, increasing contributions by such an amount in such a short time is a very blunt instrument when compared to other options available to a funded scheme. Finally there is a real risk that such rises will lead to significant numbers opting out which could have significant consequences on cash flows and could lead to employer rates increasing - the opposite of the intention.

In making the case LPFA has been in good company as there has been a growing chorus of the same or similar points being made by a broad spectrum of LGPS stakeholders including actuaries, employers, unions and practitioners. I am therefore very pleased that the government has listened and acted'

**Ends**

### **For further information**

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### **About the LPFA**

The London Pensions Fund Authority (LPFA) administers a £4bn pension fund providing Local Government Pension Scheme benefits to almost 20,000 employees of 200 not for profit organisations and around 40,000 pensioners, many of whom used to work for the Greater London Council and the Inner London Education Authority.

As well as administering its own fund LPFA provides a comprehensive range of third party pension services from full administration and pensions payroll to staff placement, data cleanse projects, pension websites and benefit statements.

For more information see [www.lpfa.org.uk](http://www.lpfa.org.uk) or email [communications@lpfa.org.uk](mailto:communications@lpfa.org.uk)