



2026-08  
ITEM 07

### **SAB Attendance at the Scottish and NI LGPS meeting 29 July 2026**

The SAB vice-chair and Joint Secretary attended a hybrid meeting of the Scottish and Northern Irish Funds on behalf of the Scottish LGPS Advisory Board in Shetland.

The meeting discussed a wide range of topics that are affecting LGPS in Scotland, Northern Ireland and England and Wales. It received reports from the SPPA, the Scottish SAB, LGA, and an update on the Member training event in November 2026. The Vice Chair of the SAB presented the SAB's May bulletin as an update.

Topics covered under policy and regulatory developments include:

- **SCAPE rate and factor review.** HM Treasury's increase in the SCAPE discount rate from CPI+1.7% to CPI+2% is being implemented on a phased basis and has triggered a review of LGPS factors. Batch 1 enabled most previously suspended calculations to restart, while Batch 2 covered around 90% of factors, including early retirement factors. Further club transfer factors are expected from 1 October 2026, with annual allowance and survivor benefit factors still to follow.
- **Regulations and guidance.** SPPA amendment regulations are delayed, and an update will be shared once there is more information. The consultation response being finalised as a priority due to National Minimum Pension Age implementation pressures. Ill-health guidance has been updated to include content omitted from the January publication.
- **Tax and benefit changes.** Key developments from the LGA included inheritance tax changes applying to deaths from 6 April 2027, further Lifetime Allowance abolition amendments, low earner pension top-ups from HMRC, and McCloud rectification regulations to address unexpected tax outcomes. Further HMRC guidance and secondary legislation are expected.
- **Transfers and pension access.** Proposed amendments to the Conditions for Transfers Regulations 2021 would remove the overseas investment amber flag and introduce a red flag where there is no clear employment link with a receiving occupational pension scheme. UK Government is also reviewing access to pensions for terminally ill members.

Topics covered under operational and member communication issues include:

- **Bonus payments and pensionable pay:** this relates to work required to ensure active, deferred and retired pension members' payments are correctly classed as being pensionable/non-pensionable. SPPA asked funds to help them assess the scale of the issue. It was raised in the meeting that a prudent starting point is to treat payments as pensionable unless a clear exception applies, with legal advice sought where required.
- **AI risks:** LGA noted at the meeting that members are increasingly using AI tools for pensions questions. This therefore makes it more important that information that is being published online is up to date, and for Funds to consider warning members that AI-generated answers may be incomplete or incorrect.
- **Civil Service transfers:** LGA noted at the meeting the delays linked to the transition to Capita continue to affect club transfers, including issues around member consent forms and processing times.
- **Pensions Dashboards and promotion:** LGA informed the group that dashboard guidance has been updated, and LGPS promotion materials are being refreshed, including for Pensions Awareness Week.
- **Member training event November 2026, further details of the events was shared.** This will be made up of three sections: Investments - to include training based on the 2026 Fund Valuations, asset classes and responsible investment; Administration - Pensions Dashboards and general update on Regulations and Policies; Governance - including Cyber Security, AI, Fraud.

The next LGPS Scotland and NI meeting will be held by Strathclyde Pension Fund; the date and time were still to be conformed at the time of writing.

**The Board are asked to:**

- I. **Note the topics covered in the last meeting and are invited to provide additional comments or seek points of clarification on activity.**
- II. **Note that the next meeting of the LGPS Scotland and NI meeting will be held by Strathclyde Pension fund with the date and time still to be confirmed.**