**7 October 2011- Consultation documents issued with proposals for short term changes to the scheme up to 2015.**

The consultation sets out two options proposed by the Government for changes to employee contribution rates and the rate at which pensions build up or 'accrue'. A third option is also included which had been proposed by the Local Government Association. The consultation also invited interested parties to submit their own alternative proposals with costed options by no later than 25 November. The consultation runs until 6 January 2012 with the resulting changes effective from April 2012.

**2 November 2011- Announcement from HM Treasury in response to the Hutton report.**

The Government has previously announced, following Lord Hutton's report on public sector pension schemes, that such schemes should be reformed to make them sustainable and affordable for the long term. This was a revised offer, from the government, of their preferred scheme design for the long term changes effective from 2015. Highlights of the announcement were:

- Benefits already earned are protected.
- If at 1 April 2012 a member is less than 10 years from their current pension age, see no change in when they can retire, or the amount of pension they will receive at their current Normal Pension Age. Others very close to being 10 years from retirement age may also see some additional protection.
- Government will continue to pay more overall toward pension benefits than the workforce

**21 November 2011- Statement from Francis Maude**

In a BBC interview Cabinet Office Minister Francis Maude suggested that the latest offer from the Government to protect pensions was a 'conditional' offer.

**8 December 2011- Statement from Department of Communities and Local Government**

Statement from the Head of Pay and Pensions indicates that the Treasury is prepared to have a 'one event' change. Original plans to make short term savings through contribution increases followed by a change in scheme design in 2015 may now be merged into single event effective from 2015.
20 December 2011- Public Sector Pension Reform agreement

Agreement has been reached between the government and trade unions as to the main structure of the changes to the Local Government Pension Scheme.

The main points are:

- A ‘one event’ change with the introduction of the new scheme in April 2014.
- A career average scheme from April 2014.
- Possibly no increase in employee contributions for most members but this is dependent on the overall cost of the scheme.
- Some element of choice for members
- Normal Pension Age linked to State Pension Age for post 2015 service.

The government has commented that although most workers will have to work longer most low and middle earners working a full career will receive pension benefits at least as good as now.

Confirmation has also been received that the Fair Deal policy will be kept which ensures that a broadly comparable pension scheme is provided for staff whose roles are outsourced.

Further work on the detailed scheme design will start in the New Year with the intention to have a full design in place by April 2013.

4 January 2012 – Government timetable for setting up of new scheme

- Jan to April 2012 – discussions on the main points of scheme design – contribution levels, accrual rate, revaluation rate, protections, costs. Consultation with unions and employers on proposals resulting from the discussions.

- April to September 2012 – communication to all parties of the outline scheme design, redesign of systems and procedures, setting up of cost management system, commence drafting of regulations.

- April to November 2012 – discussions to agree the remainder of the scheme design and cost mechanism. Consultation with unions and employers on proposals resulting from discussions.

- September 2012 to March 2013 – consultation on and making and laying new scheme regulations to reflect the outcome of the above process.

- March 2013 - commencement of scheme valuation

- October 2013 – initial valuation results

- October 2013 to March 2014 – communications for members and employers, testing of systems and procedures

- April 2014 – New scheme
20 January 2012 – Joint communications update

A joint update provided by the Local Government Association (LGA), Unison and GMB which is to be issued monthly alongside any communications from the Unions & LGA.

Update on progress
Representatives of GMB, UNISON, LGA and the Department for Communities and Local Government (DCLG) are now meeting at least weekly in order to discuss options for the new scheme.

They are aiming to reach agreement (which will include full consultation with their respective memberships) by April on the objectives contained in the Principles document, a copy of which can be found on the LGPS website by following this link [http://www.lgps.org.uk/lge/aio/15431141](http://www.lgps.org.uk/lge/aio/15431141). The full project plan for the 2014 scheme changes can be viewed at [http://www.lgps.org.uk/lge/core/page.do?pageId=15431012](http://www.lgps.org.uk/lge/core/page.do?pageId=15431012)

Under the project plan it is intended that the new scheme regulations are in place for the 2013 scheme valuation.