

**2023 No.**

**PUBLIC SERVICE PENSIONS, ENGLAND AND WALES**

**Local Government Pension Scheme (Amendment) Regulations  
2023**

*Made* - - - - **\*\*\***

*Laid before Parliament* **\*\*\***

*Coming into force* **31st March 2023**

The Secretary of State makes the following Regulations, in exercise of the powers conferred by section 1(1) and (2)(e), and section 3(1) to (3) of, and Schedule 2 to, the Public Service Pensions Act 2013(a).

In accordance with section 21 of that Act, the Secretary of State has consulted the representatives of such persons as appear to the Secretary of State likely to be affected by these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

**Citation, commencement and extent**

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Amendment) Regulations 2023 and come into force on 31st March 2023.

(2) These Regulations extend to England and Wales.

**Amendment of the Local Government Pension Scheme Regulations 2013**

2. The Local Government Pension Scheme Regulations 2013(b) are amended as follows.

**Revaluation date: revaluation adjustments, members**

3.—(1) In regulation 23—

(a) at paragraph (2)(d)—

(i) after “during the Scheme year”, insert “plus” then insert—

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(a) 2013 c.26; sections 3(1) and (2) were amended by section 94(2) and (3) of the Public Service Pensions and Judicial Offices Act 2022 (2022 c.7). Section 2 of, and Schedule 2 to, the Public Service Pensions Act 2013 set out how the powers are exercisable by the Secretary of State, and section 9 (revaluation) of that Act sets out how the process of revaluation is to be conducted.

(b) S.I. 2013/2356; regulation 21 was amended by S.I. 2015/755 and S.I. 2018/493, regulations 42 and 44 were amended by S.I. 2015/755, regulations 47 and 48 were amended by S.I. 2018/493, and the definition of “revaluation adjustment” at Schedule 1 was substituted by S.I. 2018/493. There are other amending instruments but none is relevant.

- “(e) the revaluation adjustment which was applied on the revaluation date falling within that Scheme year,”
    - (ii) after “aggregated” omit the wording from “and the revaluation adjustment” to the end.
  - (b) at paragraph (3), omit “revalued” and at the end insert—
    - “(3A) On the revaluation date, the revaluation adjustment must be applied to the balance mentioned at paragraph (3) in accordance with actuarial guidance issued by the Secretary of State.”.
- (2) In regulation 24—
  - (a) at the end of paragraph (4) insert—
    - “(4A) For the purposes of paragraph 4(a), where a member ceases to be an active member and becomes a deferred member in the period beginning with 6th April and ending with 31st March in any Scheme year, the opening balance includes the revaluation adjustment which was applied on the revaluation date falling within that member’s last active Scheme year.
    - (4B) If a member ceases to be an active member and becomes a deferred member in the period beginning with 1st April and ending with 5th April in any Scheme year, on the revaluation date the revaluation adjustment must be applied to the opening balance mentioned at paragraph (4)(a) in accordance with actuarial guidance issued by the Secretary of State.”;
  - (b) at paragraph (7), for “beginning of” substitute “revaluation date in”;
  - (c) at paragraph (8)—
    - (i) omit “revalued”;
    - (ii) for “(7)” substitute “(4)” and then insert “including any adjustment made in accordance with paragraph (4B),”;
    - (iii) following “Scheme year and” insert “having applied the revaluation adjustment to the balance in accordance with paragraph (7)”;
    - (iv) at the end, insert—
      - “(8A) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made after the revaluation adjustment is made.”
- (3) In regulation 25—
  - (a) at paragraph (3), after “24(4)” insert “and, where applicable, regulation 24(4A)”;
  - (b) at paragraph (4), at the end insert—
    - “(4A) If a member becomes entitled to immediate payment of a full retirement pension in the period beginning with 1st April and ending with 5th April in any Scheme year, on the revaluation date the revaluation adjustment must be applied to the opening balance for the member's last active Scheme year and takes effect from the date the member became entitled to immediate payment, in accordance with actuarial guidance issued by the Secretary of State.”;
  - (c) at paragraph (6)—
    - (i) for “beginning of” substitute “revaluation date in”;
    - (ii) after “pensioner member” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the member became a pensioner member”;
  - (d) at paragraph (7)—
    - (i) omit “revalued”;
    - (ii) for “(6)” substitute “(2)” and then insert “including any adjustment made in accordance with paragraph (4A),”;

- (iii) following “Scheme year and,” insert “having applied the revaluation adjustment to the balance in accordance with paragraph (6),”; and
  - (iv) at the end insert—
    - “(7A) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made after the revaluation adjustment is made.”
- (4) In regulation 27—
- (a) at paragraph (5)—
    - (i) for “beginning of” substitute “revaluation date in”;
    - (ii) after “retirement pension” in the third place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the member became a flexible retirement pensioner member”;
  - (b) at paragraph (6)—
    - (i) omit “revalued”;
    - (ii) for “(5)” substitute “(2)”;
    - (iii) following “Scheme year and,” insert “having applied the revaluation adjustment to the balance in accordance with paragraph (5),”; and
    - (iv) at the end, insert—
      - “(7) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”.

**Survivor benefits: revaluation adjustments, survivor benefits for partners and children of active members**

- 4.—(1) In regulation 41—
- (a) at the end of paragraph (4)(a) insert—
    - “(aa) For the purposes of sub-paragraph (a), if the member died in the period beginning with 1st April and ending with 5th April in any Scheme year, the pension is deemed to include the revaluation adjustment due at the next revaluation date.”;
  - (b) at paragraph (5)—
    - (i) for “beginning of” substitute “revaluation date in”;
    - (ii) after “was opened,” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the survivor member’s account was opened,”;
  - (c) at paragraph (6)—
    - (i) omit “revalued”;
    - (ii) for “(5)” substitute “(3)”;
    - (iii) following “Scheme year and,” insert “having applied the revaluation adjustment to the balance in accordance with paragraph (5),”; and
    - (iv) at the end, insert—
      - “(6A) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”
- (2) In regulation 42—
- (a) at the end of paragraphs (4)(a), 5(a), 9(a) and 10(a) insert—
    - “(aa) For the purposes of sub-paragraph (a), if the member died in the period beginning with 1st April and ending with 5th April in any Scheme year, the pension is deemed to include the revaluation adjustment due at the next revaluation date.”;
  - (b) at paragraph (12)—
    - (i) for “beginning of” substitute “revaluation date in”;

- (ii) for “valuation” substitute “revaluation”;
- (iii) after “was opened,” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the survivor member's account was opened,”;
- (c) at paragraph (13)—
  - (i) omit “revalued”;
  - (ii) for “(12)” substitute “(3) or (8)”;
  - (iii) following “Scheme year and,” insert “having applied the revaluation adjustment to the balance in accordance with paragraph (12),”;
  - (iv) at the end, insert—
    - “(14) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”.

**Survivor benefits: revaluation adjustments, death grants: deferred, pension credit and deferred pensioner members**

- 5.—(1) In regulation 43—
- (a) after paragraph (3) insert—
    - “(3A) For the purposes of paragraph (3), if the member—
      - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member became a deferred member; or
      - (b) ceased to be an active member and became a deferred member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,
 the pension is deemed to include the revaluation adjustment due at the next revaluation date.”;
  - (b) at paragraph (5), at the end insert “and paragraph (3A) does not apply”.

**Revaluation date: revaluation adjustments, survivor benefits for partners and children of deferred and deferred pensioner members**

- 6.—(1) In regulation 44—
- (a) after paragraph (4), insert—
    - “(4A) For the purposes of paragraph (4), if the member—
      - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member became a deferred member; or
      - (b) ceased to be an active member and became a deferred member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,
 the pension is deemed to include the revaluation adjustment due at the next revaluation date.”;
  - (b) at paragraph (5)—
    - (i) for “beginning of” substitute “revaluation date in”;
    - (ii) after “was opened,” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the survivor member's account was opened),”;
  - (c) at paragraph (6)(a)—
    - (i) omit “revalued”;
    - (ii) in the second place where it occurs, for “(5)” substitute “(3)”;

- (iii) following “Scheme year,” insert “and the revaluation adjustment is applied to the balance in accordance with paragraph (5)”;
- (d) at the end of paragraph 6, insert—
  - “(6A) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”.
- (2) In regulation 45—
  - (a) at the end of paragraph (4), insert—
    - “(4A) For the purposes of paragraph (4), if the member—
      - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member became a deferred member; or
      - (b) ceased to be an active member and became a deferred member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,
 the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
  - (b) at the end of paragraph (5), insert—
    - “(5A) For the purposes of paragraph (5), if the member—
      - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member became a deferred member; or
      - (b) ceased to be an active member and became a deferred member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,
 the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
  - (c) at the end of paragraph (9), insert—
    - “(9A) For the purposes of paragraph (9), if the member—
      - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member became a deferred member; or
      - (b) ceased to be an active member and became a deferred member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,
 the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
  - (d) at the end of paragraph (10), insert—
    - “(10A) For the purposes of paragraph (10), if the member—
      - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member became a deferred member; or
      - (b) ceased to be an active member and became a deferred member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,
 the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
  - (e) at paragraph (12)—
    - (i) for “beginning of” substitute “revaluation date in”;
    - (ii) after “was opened,” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the member became a pensioner member.”;
  - (f) at paragraph (13)(a)—

- (i) omit "revalued";
  - (ii) in the second place where it occurs, for "(12)" substitute "(3) or (8)";
  - (iii) following "Scheme year," insert "and the revaluation adjustment is applied to the balance in accordance with paragraph (12)";
- (g) at the end of paragraph (13), insert—
- “(14) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”.

**Survivor benefits: revaluation adjustments, death grants and survivor benefits: pensioner members**

7.—(1) In regulation 46, at the end insert—

“(6) For the purposes of a death grant payable in accordance with paragraph (3) (but not for the purposes of a death grant derived from a pension credit payable in accordance with paragraph (4)), if the member—

- (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member ceased to be an active member; or
- (b) ceased to be an active member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period

the pension the member would have been entitled to receive as retirement pension at the date of death is deemed to include the revaluation adjustment due at the next revaluation date.”.

(2) In regulation 47—

(a) at the end of paragraph (4), insert—

“(4A) For the purposes of paragraph (4), if the member—

- (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member ceased to be an active member; or
- (b) ceased to be an active member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,

the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.

(b) at paragraph (5)—

- (i) for “beginning of” substitute “revaluation date in”;
- (ii) after “was opened,” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the member became a pensioner member,”;

(c) at paragraph (6)(a)—

- (i) omit “revalued”;
- (ii) in the second place where it occurs, for “(5)” substitute “(3)”;
- (iii) following “Scheme year,” insert “and the revaluation adjustment is applied to the balance in accordance with paragraph (5)”.

(d) at the end of paragraph (6), insert—

“(6A) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”.

(3) In regulation 48—

(a) at the end of paragraph (4) insert—

“(4A) For the purposes of paragraph (4), if the member—

- (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member ceased to be an active member; or
  - (b) ceased to be an active member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,

the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
- (b) at the end of paragraph (5) insert—
  - “(5A) For the purposes of paragraph (5), if the member—
    - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member ceased to be an active member; or
    - (b) ceased to be an active member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,

the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
- (c) at the end of paragraph (9) insert—
  - “(9A) For the purposes of paragraph (9), if the member—
    - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member ceased to be an active member; or
    - (b) ceased to be an active member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,

the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
- (d) at the end of paragraph (10) insert—
  - “(10A) For the purposes of paragraph (10), if the member—
    - (a) died in the period beginning with 1st April and ending with 5th April in the Scheme year following the year that the member ceased to be an active member; or
    - (b) ceased to be an active member in the period beginning with 1st April and ending with 5th April in a Scheme year and subsequently died within that same period,

the pension is deemed to include the revaluation adjustment due at the next revaluation date.”.
- (e) at paragraph (12)—
  - (i) for “beginning of ” substitute “revaluation date in”;
  - (ii) after “was opened,” in the second place where it occurs, insert “and takes effect from the start of the Scheme year following the Scheme year in which the member became a pensioner member.”;
- (f) at paragraph (13(a))—
  - (i) omit “revalued”;
  - (ii) in the second place where it occurs, for “(12)” substitute “(3) or (8)”;
  - (iii) following “Scheme year,” insert “and the revaluation adjustment is applied to the balance in accordance with paragraph (12)”;
- (g) at the end of paragraph (13) insert—
  - “(14) Where an index rate adjustment is due to be made on a revaluation date, any such adjustment must be made immediately after the revaluation adjustment is made.”.

### **Amendments to definitions**

**8.—(1)** At Schedule 1—

- (a) in paragraph (a) of the definition of “revaluation adjustment”, after “transferred” in the second place where it occurs, insert “and which is applied to the balance on the same day as the percentage increase or decrease referred to in paragraph (b)”
- (b) in paragraph (b) of the definition of “revaluation adjustment”—
  - (i) after “prices” insert “in relation to the Scheme set out”;
  - (ii) after “2013” insert “in relation to the previous Scheme year”; and
  - (iii) omit the wording from “at the beginning” to the end.
- (c) after the definition of “revaluation adjustment” insert—
  - ““revaluation date” means 6th April””.

Signed by authority of the Secretary of State for Levelling Up, Housing and Communities

*Name*  
Minister of State

Date Department for Levelling Up, Housing and Communities

We consent

*Name*  
*Name*

Date Two of the Lords Commissioners of His Majesty’s Treasury

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

The Local Government Pension Scheme Regulations (“the 2013 Regulations”) established the Local Government Pension Scheme (“the Scheme”) as a career average revalued earnings scheme in accordance with section 8(2)(a) of the Public Service Pensions Act 2013 (“the Act”).

According to section 8(4) of the Act, a person’s pensionable earnings under a career average revalued earnings scheme must be revalued each year until the person leaves pensionable service, based upon the index rate adjustment for the relevant period specified in a Treasury order made under section 9(2) of the Act.

These Regulations amend the provisions of the 2013 Regulations in relation to the process of making revaluation adjustments which currently require the revaluation adjustment to be made at the beginning of the Scheme year, meaning that on 1 April each year, members’ pensions are revalued to take account of the impact of inflation over the previous scheme year (1 April to 31 March). Currently, tax liabilities may arise because the timing of the Scheme revaluation process on 1st April is not aligned with HMRC’s process for assessing the annual allowance tax charge under the Finance Act 2004.

The overall effect of the changes made by these Regulations to the 2013 Regulations is that the revaluation adjustment is made on 6th April each year, so that the Scheme revaluation is brought into alignment with the HMRC process for assessing the annual allowance tax charge. These Regulations will have no effect on the amount of Scheme benefits to which members are entitled.

Regulation 3 of these Regulations amends regulations 23 to 25, and regulation 27 of the 2013 Regulations in relation to active members, and members who change status within a Scheme year, (by becoming deferred members of the Scheme, or by taking full or flexible retirement).



The amendments specify that the revaluation adjustment made to the member's pension account must take place on the 'revaluation date'. This change means that the inflation figure used for the revaluation adjustment in the tax year commencing 6th April is the same as the inflation figure used for any tax calculation specified by HMRC for annual allowance purposes, under the Finance Act 2004.

Regulation 3 of these Regulations also makes consequential changes to the 2013 Regulations, to ensure that the correct figures are used in the calculation of the opening balance for each Scheme year, and to ensure that (depending upon the date within a Scheme year that the member changes status), the opening balance for their deferred, retired or flexible retirement pension account correctly reflects the relevant revaluation adjustment.

Finally, the amendments to regulations 24, 25 and 27 of the 2013 Regulations made by regulation 3 of these Regulations clarify that in the event an index rate adjustment in accordance with the Pensions (Increase) Act 1971 is required to be made on the revaluation date, such index adjustment should be made after the revaluation adjustment.

Regulation 4 of these Regulations amends regulations 41 and 42 of the 2013 Regulations (in relation to survivor benefits for the partners and children of active members), and makes consequential changes to reflect the fact that the revaluation adjustment is now to take place at the new 'revaluation date'. The purpose of these changes is to ensure that, notwithstanding the change in the revaluation date, there is no change to the amount of Scheme benefits to which survivors are entitled.

Regulation 4 ensures firstly that if the person died within the period 1st to 5th April within a Scheme year (ahead of the revaluation date) the survivors of the deceased member receive the correct amount in the year the survivor members account is opened, based upon the pension that the deceased member would have been entitled to receive. Secondly, the amendments ensure that for all deceased active members, the adjustment to the survivor members account at the end of the Scheme year in which the survivor member's account was opened is adjusted to reflect the correct figures from the start of the next Scheme year, taking account of the change to the revaluation date. Finally, the amendments to regulations 41 and 42 of the 2013 Regulations made by regulation 4 of these Regulations clarify that in the event an index rate adjustment in accordance with the Pensions (Increase) Act 1971 is required to be made on the revaluation date, such index adjustment should be made after the revaluation adjustment.

Regulation 5 of these Regulations amends regulation 43 of the 2013 Regulations in relation to death grants relating to deceased deferred, pension credit and deferred pensioner members. The purpose of these changes is to ensure that, notwithstanding the change in the revaluation date, there is no change to the amount of Scheme benefits to which survivors are entitled. The changes ensure that for deferred and deferred pensioner members, where the person died within the period 1st to 5th April within a Scheme year (ahead of the revaluation date), the death grant reflects the correct pension entitlement, factoring in the relevant revaluation adjustment.

Regulation 6 of these Regulations amends regulations 44 and 45 of the 2013 Regulations in relation to survivor benefits for partners and children of deceased deferred and deferred pensioner members and similarly to regulation 4, makes consequential changes to reflect the fact that the revaluation adjustment is now to take place at the new 'revaluation date'. The purpose of these changes is to ensure that, notwithstanding the change in the revaluation date, there is no change to the amount of Scheme benefits to which survivors are entitled. Regulation 6 ensures firstly that if the person left service and died all within the same period 1st to 5th April within a Scheme year (ahead of the revaluation date), or secondly if the person left service, and subsequently died within the period 1st to 5th April in a following Scheme year the survivors receive the correct adjusted amount. Finally, the amendments to regulations 44 and 45 of the 2013 Regulations made by regulation 6 of these Regulations clarify that in the event an index rate adjustment in accordance with the Pensions (Increase) Act 1971 is required to be made on the revaluation date, such index adjustment should be made after the revaluation adjustment.

Regulation 7 of these Regulations amends regulation 46 of the 2013 Regulations in relation to death grants relating to deceased pensioner members, and regulations 47 and 48 of the 2013

regulations relating to survivor benefits in relation to such a member. The changes to regulation 46 of the 2013 Regulations ensure that where the pensioner member died within the period 1st to 5th April within a Scheme year (ahead of the revaluation date), any death grant payable reflects the correct pension entitlement, factoring in the relevant revaluation adjustment. The purpose of these changes is to ensure that, notwithstanding the change in the revaluation date, there is no change to the amount of Scheme benefits to which survivors are entitled. The changes to regulations 47 and 48 of the 2013 Regulations in relation to survivor benefits for partners and children of deceased pensioner members make consequential changes to reflect the fact that the revaluation adjustment is now to take place at the new 'revaluation date', similarly to the changes made by Regulation 6 of these Regulations. Finally, the amendments to regulations 47 and 48 of the 2013 Regulations made by regulation 7 of these Regulations clarify that in the event an index rate adjustment in accordance with the Pensions (Increase) Act 1971 is required to be made on the revaluation date, such index adjustment should be made after the revaluation adjustment.

Regulation 8 of these Regulations amends the definition of "revaluation adjustment" at Schedule 1 of the 2013 Regulations, and inserts a new definition of "revaluation date", so that the revaluation date is fixed as 6th April which aligns with the start of the tax year, rather than taking place at the end of a tax year.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, public or voluntary sector is foreseen.

DRAFT