

**NORTHUMBERLAND COUNTY COUNCIL PENSION FUND
Pension Fund Panel Meeting 4 September 2017**

Email from Becky Durran of Aon Hewitt on 19 July 2017 to all LGPS clients

From: **Becky Durran**
Date: 19 July 2017 at 16:22
Subject: Changes to State Pension Age
To: LGPS clients

All

The DWP has published a [report](#) outlining the Government's proposals for changing the state pension age from 2028. This follows an announcement by the Secretary of State for Work and Pensions, David Gauke, that the rise in State Pension Age (SPA) to 68 will now happen in 2039 rather than 2046, affecting those currently aged between 39 and 47. This is in line with the recommendation in John Cridland's [review](#).

Note that any changes to SPA still require primary legislation and will be subject to the full scrutiny of Parliament.

Changes in SPA automatically feed through into the NRA for post 2014 LGPS pension benefits, via the Pensions Act 1995 (as amended by the Pensions Act 2011 and Pensions Act 2014). Therefore if this change is brought into legislation, it will have a positive impact on the liabilities and contribution rates in respect of LGPS Funds. Our initial estimate is that this will have a minimal impact on the past service liabilities, and that it could reduce the future service rate by around 0.1% - 0.2% of pay. However, the impact may vary for individual employers depending on their maturity and membership profile.

If you would like us to investigate the specific impact on your fund or for any individual employers, please get in touch.

Kind regards

Becky

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