

Appendix 8

Public Service Pensions: GMP indexation consultation: Proposal to extend full indexation - Response to questions put by the consultation

No	Question	Response
1	Do you consider an extension of full indexation until April 2024 to be appropriate to ensure that the government can meet its existing commitments, re-evaluate conversion as a long-term solution and resolve the handling of those cases where conversion could not be undertaken on a £1:£1 basis?	Given the timeframe available, and the absence of a fully determined methodology for an alternative approach, the extension of full indexation is the only practical means of dealing with those reaching State Pension Age beyond 5 th April 2021.
2	Should the government consider an extension of full indexation to cover those reaching SPa beyond 5 April 2024? If so, how long should the government extend full indexation for, and why?	<p>A continuation of established practices would be the simplest way of covering those reaching State Pension Age beyond 5th April 2024, requiring no amendments to systems and relying on existing and understood methodology.</p> <p>Given that all three of the options proposed require the cost burden for the indexation of pensions to remain with scheme employers of the LGPS, the extension of the existing full indexation approach will minimise disruption and be the least costly from an administration perspective. It is for those reasons East Sussex would favour this approach.</p>
3	Should the government consider making full GMP indexation the permanent solution for all members due to reach SPa after 5 April 2021? If so, why do you think this is the most appropriate solution?	Yes - See response to question 2.
4	Do you consider full GMP indexation to be an appropriate method in most cases to avoid unequal pension payments to men and women?	<p>The consultation document itself acknowledges that although suitable for a significant majority of cases, for a small number of members, benefits will remain unequal despite full indexation having been applied.</p> <p>The development of an alternative solution for this small group should be developed for application in those cases alone.</p>
5	How could the delivery of any of the policies outlined in this consultation, by way of a direction made under s. 59A of the SSPA 1975, impact on wider public sector or private sector schemes which are not providing 'official pensions' under the PIA 1971?	This response is limited to the Local Government Pension Scheme only which does follow PIA 1971 and the Social Security Pensions Act 1975.

6	If wider public sector or private sector schemes which are not providing 'official pensions' are impacted by any of the policy options set out in this consultation, why were their pensions originally designed to mirror official pensions?	See response to question 5.
7	Should the government take action to avoid any read across, from its decision following this consultation in respect of public service schemes, to any wider public sector or private sector schemes that are not delivering 'official pensions' under the PIA 1971?	See response to question 5.
8	What considerations should the government take into account when deciding whether to take such action? In particular, why should government act so that the members of these schemes do not receive the benefits which they would otherwise receive under the scheme rules?	See response to question 5.
9	Are there actions the government could lawfully take to avoid any read-across, from its decision following this consultation in respect of public service schemes, to any wider public sector or private sector schemes that are not delivering 'official pensions' under the PIA 1971?	See response to question 5.
10	Are there wider issues relating to the GMP that are not mentioned here and which should be considered when the government decides its policy?	It is clear that the adoption of any of the proposed solutions detailed in the consultation, result in the transfer of further liabilities from central to local government. Placing an additional financial burden of the scheme employers. Further consideration should be given to a solution that does not increase still further the liabilities of LGPS Funds.