

## Annual revaluation date change in the LGPS

### Our response to DLUHC's consultation

This [consultation](#) seeks views on changing the LGPS CARE annual revaluation date from 1 April to 6 April. This is to mitigate the impacts of high inflation on annual allowance calculations.

**Do you agree or disagree that the annual revaluation date should change from 1 April to 6 April? Please explain why.**

We recognise the logic behind moving the date so that the revaluation applied to CARE benefits is the same as that used to uplift the starting value of benefits for annual allowance purposes.

The current approach means that in years where the annual allowance uplift is significantly lower than the CARE revaluation, such as 2022/23, many more members will breach the annual allowance. The reverse is also true, for example if inflation in September 2023 was 5%, that would see annual allowance starting values uplifted by 10.1% but CARE benefits increasing by only 5%, meaning many fewer members affected by the annual allowance.

The approach outlined in the consultation would smooth out these peaks and troughs.

**Do you agree that the policy aim for regulation 21 is delivered through the draft regulations?**

Yes

**Do you agree that the policy aim for regulation 23 is delivered through the draft regulations?**

Yes

**Do you agree that the policy aim for regulations 24 and 25 is delivered through the draft regulations?**

Yes

**Do you agree that the policy aim for regulation 27 is delivered through the draft regulations?**

Yes

**Do you agree that the policy aim for regulations 41, 42, 44, 45, 47 and 48 is delivered through the draft regulations?**

Yes. There appears to be an unnecessary bracket at the end of the added text.

**Do you agree that the policy aim for regulation 43 and 46 is delivered through the draft regulations?**

Yes

**Do you agree that amending the definition of "revaluation adjustment" and the new definition of "revaluation date" in Schedule 1 delivers the policy aim?**

Yes

**Are there any further considerations and evidence that you think DLUHC should take into account when assessing any equality issues or adverse impacts arising as a result of the proposed changes? Please explain and provide evidence where appropriate.**

Our main concern is that these changes have been introduced without sufficient time for administration systems to be updated. Systems will currently be set up to run revaluation on 1 April 2023, which will mean that this year's CARE revaluation will be incorrectly applied and will have to be revisited and recalculated once systems have been updated.

It is also likely to mean an increase in manual adjustments to member records in certain cases, which adds time, cost and complexity.

It is to be hoped that administration systems will be updated in time for the issuing of annual allowance pension savings statements, otherwise the negative impact on members will be significant.