

Employer newsletter – February 2026

East Sussex Pension Fund are excited to bring you our first newsletter of 2026. The newsletter allows us to share important news and insights, so you remain informed and supported.

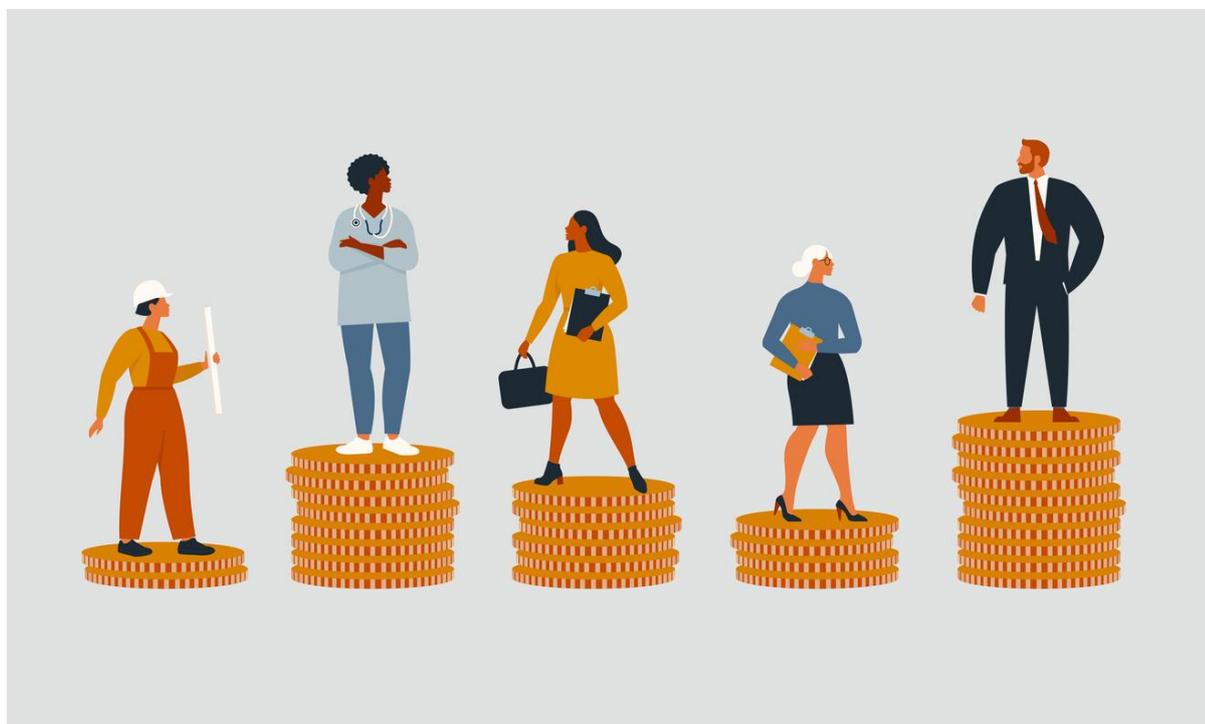


We hope you find the content helpful and engaging. If you have any feedback on the newsletter or have any ideas for future articles, then please let us know by emailing:

employer.engagement@eastsussex.gov.uk

Valuation and Funding Strategy Statement

The purpose of the 2025 valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2026 to 31 March 2029.



All employers should have been sent a 'Valuation employer results schedule.' The purpose of this document is to provide a summary of the preliminary results of the actuarial valuation as of 31 March 2025 in relation to the Employer's individual funding position. In addition, all employers were asked for comments on the draft 'Funding Strategy Statement' (consultation took place with employers from 18 November 2025 to 9 January 2026).

Feedback from the consultation has been analysed and both the Funding Strategy Statement and Valuation Report will be finalised and put forward for approval by the Pensions Committee on the 26th of February 2026. A final valuation report will then follow by 31 March 2026, which will provide details of the valuation method, assumptions, and formalise the results of the valuation.

Pension Fund Annual Report 2024/25

The [East Sussex Pension Fund Annual Report for the financial year 2024/25](#) was published on 27 November 2025. The Annual Report is a summary of the Fund's activities over the past year.

Each LGPS fund must publish their report by 1 December each year. We hope to shortly publish a clean version as external audit approval is imminent.

Local Government Pension Scheme (LGPS) - Pension Increase 2026

Active pension accounts, deferred pensions, and pensions in payment are adjusted each April in line with the cost of living. The increase is based on the September-to-September change in the Consumer Prices Index (CPI). The CPI increase for the year up to September 2025 was 3.8%.

This means that we expect most pensions in payment and other member records with accrued CARE benefits in the LGPS to increase by 3.8% in April 2026.



State Pension increase

In the Autumn Budget 2025, the Chancellor confirmed that the full new State Pension will rise by 4.8% next year under the triple lock. This means that pensioners can expect to receive around £241.30 a week, up from £230.25 in 2025/26.

Did you know that 'My Pension' the member self-service website now has a link to the GOV.UK 'Check your State Pension Forecast' tool?

Advanced notice of the 2026-27 member contribution bands

The Local Government Association (LGA) have published the member pension contribution bands which will be effective from 1 April 2026. Having this information in advance means you can share with your payroll team / payroll provider, giving them plenty of time to plan in any necessary change.

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £18,400	5.50%	2.75%
2	£18,401 to £29,000	5.80%	2.90%
3	£29,001 to £47,300	6.50%	3.25%
4	£47,301 to £59,800	6.80%	3.40%
5	£59,801 to £84,000	8.50%	4.25%
6	£84,001 to £119,100	9.90%	4.95%
7	£119,101 to £140,400	10.50%	5.25%
8	£140,401 to £210,700	11.40%	5.70%
9	£210,701 or more	12.50%	6.25%

Automatic enrolment thresholds 2026/27

The Department for Work and Pensions (DWP) has confirmed that the automatic enrolment thresholds will remain unchanged for the 2026/27 tax year. Under section 14 of the Pensions Act 2008, the DWP must review these thresholds every year.

This means the thresholds for 2026/27 will be:

- earnings trigger: £10,000
- lower limit qualifying earnings band: £6,240
- upper limit qualifying earnings band: £50,270

Pensions and absences

The Government's response to the LGPS Access and Fairness consultation has been delayed. The Local Government Association (LGA) understand the Government plans to phase in the changes proposed in the consultation to ease administrative impact. Phase one changes will be introduced in April 2026, with phase two following later. The changes included in phase one are outlined below.

The LGA will produce a bulletin after the legislation is finalised. We expect statutory guidance to be published in March 2026.

Pensions and attendance benefits

- making authorised absences of less than 15 days automatically pensionable
- aligning the cost of buying back lost pension for authorised absences of over 14 days with the standard member contribution rates
- extending the time limit for electing to buy back lost pension from 30 days to 12 months, if the member is in the same employment
- allowing an employer to pay their share of contributions relating to an unpaid period of more than three years
- updating the definition of child-related leave to include all periods of additional maternity, adoption, and shared parental leave without pay



We will pass information on as soon as we receive it to enable you to make necessary changes in your payroll and HR systems. But, given the notice period will be minimal you should start those discussions to understand automation plans and what possible manual intervention you may need to make.

Pension age changes

The Government has announced that the earliest age that people can take their pension will increase from age 55 to 57 with effect from 6 April 2028. This does not apply if members take their pension early due to ill health.

Members of the LGPS could be protected from this increase if they joined the LGPS before 4 November 2021. Members could also be protected if they transferred a previous pension into the LGPS, if certain conditions are met. Members will only be able to use this protection when they take their LGPS pension if the LGPS rules allow them to take their pension before age 57.

The Ministry of Housing, Communities and Local Government (MHCLG) makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57 from 6 April 2028 onwards. We will update our website when we know more.

Appointing an Independent Registered Medical Practitioner

To investigate an ill-health retirement for your employee, you need to appoint an Independent Registered Medical Practitioner (IRMP). The guide below explains the process for appointing an IRMP.

[Appointment-of-irmp-guide-esp.pdf](#)

Our 2025 Employer Forum

As a Fund we are committed to supporting our employers in being advocates for the scheme, we want to ensure they have the knowledge and training to carry out their responsibilities in administering their employees' pensions. We held our 2025 Employer Forum on the 14 November 2025. Attendees rated the Forum at 8.94 (1 = extremely poor to 10 = excellent).

If you would like to view the presentation deck for the day, please do so using the link below.

[Employer Forum | East Sussex Pension Fund](#)

We would appreciate any subject(s) you would like covered in the next forum. We've yet to decide if the November 2026 event will be face to face or online.

Additional Pension Contributions (APCs)

Local Government Pension Scheme members can elect to pay additional contributions to increase their pension benefits. They can currently do this through payment of Additional Pension Contributions (APCs) and Additional Voluntary Contributions.



There is a link to a document below which will serve as a reminder on APCs:

- How can members make APCs?
- How much does it cost?
- Employer awards of extra pension.
- How to get a quote.
- How to apply.

[Employer Toolkit - Additional Pension Contributions](#)

If your members are enquiring about AVCs, we have information on our website about the arrangements with the Prudential - [Increase my pension | East Sussex Pension Fund](#).

Border to Coast Pensions Partnership identified as preferred pooling partner

The Government launched its "[Fit for the Future](#)" consultation in late 2024. This set out key reforms to investment management in the LGPS, outlining minimum standards of pooling for all LGPS pools.

The proposed approach of our current pooling partner ACCESS to comply with the requirements of the consultation was not supported by government. As a result, ESPF made an in-principle decision to become a shareholder in the [Border to Coast Pensions Partnership](#) (a FCA- authorised asset pool since 2018 and one of the largest LGPS pools in the UK). The decision marks a significant milestone for ESPF ahead of the deadline from government to transition assets to a new asset pool by 31 March 2026. Governance and legal work to formally bring new LGPS Funds into the Border to Coast Pensions Partnership as equal shareholders is expected to be completed by 31 March 2026.

We will post updates on our website as changes occur.

[ESPF identifies new pooling partner | East Sussex Pension Fund](#)

Pension Administration Strategy

The Local Government Pension Scheme (LGPS) Regulations 2013 allow Pension Fund Administering Authorities to prepare a Pension Administration Strategy for improving the administrative processes within their LGPS Fund (Regulation 59). The aim of the Strategy is to set out the quality and performance standards expected of the Fund as Administering Authority and Administrator and its Scheme Employers. The Fund has just completed an interim update of the 2023 document.

Key changes include:

- A strengthening of the fund position on the use of i-Connect.
- Revised reporting details to accommodate what is reported to Pension Board and Pension Committee, and
- CIPFA Annual Report requirements.

There are currently pieces of new legislation being considered that will mean further amendments will need to take place in the future. All employers were asked for comments on the draft 'Pensions Administration Strategy Statement' (consultation took place with employers from 28 November 2025 to 16 January 2026). Feedback from the consultation has been analysed and a final version will be put forward for approval by the Pensions Committee on the 26th of February 2026. The new version will then be made available via our website.

National Insurance contributions - SCAVC

Major changes coming if you have members who pay into a shared cost salary sacrifice AVC plan

The government has announced that from April 2029, only the first £2,000 of member pension contributions made through salary sacrifice each year will be exempt from National Insurance Contributions (NIC). Any amount paid into an AVC through a salary sacrifice plan above £2,000 will be subject to National Insurance Contributions at an individual's usual income tax rate from April 2029.

If you run a Shared Cost AVC plan, you should make your members aware of these changes. Indeed, for those who are thinking about boosting their retirement savings now, it may be a great time to take advantage of maximising tax relief and National Insurance relief.

[Further information on changes to salary sacrifice](#)



i-Connect...multi-factor authentication (MFA)

Heywood and the Fund are looking to into strengthening the security of Altair systems to protect personal data and considering the use of Multi-Factor Authentication for employers using i-Connect.

MFA is an electronic authentication method in which a user is granted access to a website or application only after successfully presenting two or more pieces of evidence (or factors) to an authentication mechanism. MFA protects personal data, which may include personal identification or financial assets, from being accessed by an unauthorised third party that may have been able to discover, for example, a single password.

What would this mean for i-Connect Users?

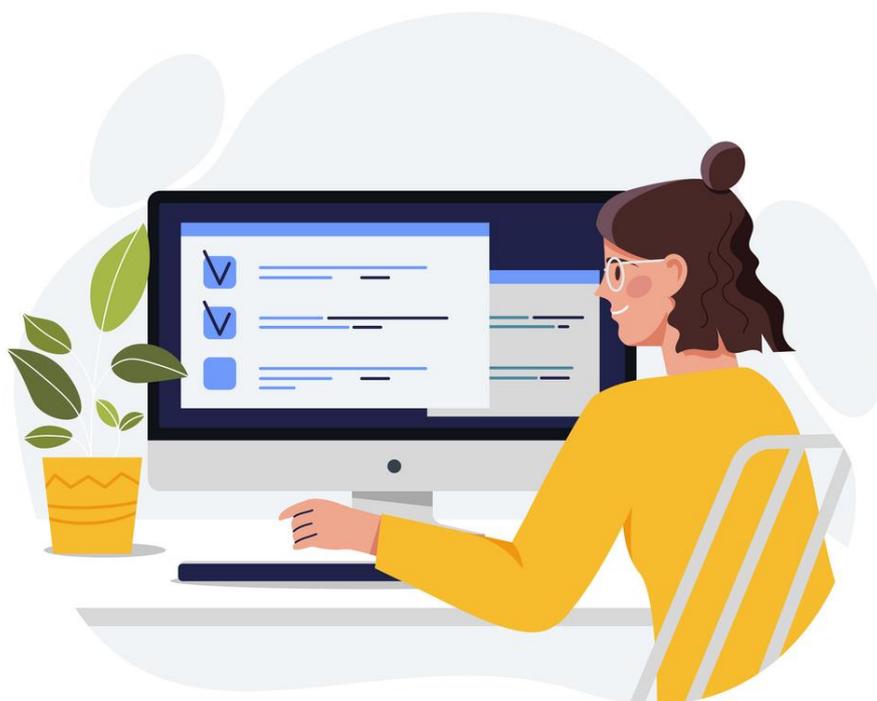
Once a correct username and password are submitted into i-Connect, the user will also be prompted to enter an additional piece of information. Initially, this will take the form of a One-Time Passcode (OTP) (a six-digit code that is valid for a brief period). The user will need to enter the code into i-Connect before they can access the system.

Please note that nothing will change for now, but we will be in touch if or when implementing the change.



‘My Pension’ registration support

In July 2024 we relaunched our self-service website called ‘My Pension’ which provides members with online access to their Local Government Pension Scheme account(s).



We have previously asked for your support in helping promote the new website. And we would like to ask again. For contributing members, approximately 52% have registered. This is great, but there is some way to go. The uptake differs between employers (we have figures for every employer available should you wish to see yours). The Fund may choose to proactively target employers with lower take up rates in the future.

Increased registration ensures members have access to tools that empower them to manage their pensions effectively, reducing queries and administrative workloads for both employers and the Fund. Going forwards our ESPF roadmap is geared towards making greater use of self service and online workflow and processes.

Here is the link to the registration page.

[Register for ‘My Pension’ now](#)

For registration guidance and FAQs, visit our [‘My Pension’ support page](#). Our communications manager can help if you need articles/wording to share via staff newsletters, intranets etc. Email: paul.linfield@eastsussex.gov.uk.

Training

The Fund runs training sessions to support contributing and potential members. In May and October 2026, we will run the following courses (2 sessions per topic).

Name of course	What does the course cover?
Introduction to the Local Government Pension Scheme	Whether you are new to the Scheme or been a member for a while, this session covers the benefits of being in the LGPS.
Your Pension MOT	A course designed to help you keep up to date and engaged with your pension, with handy tips thrown in.
Preparing for retirement	This course will help if you are thinking ahead to retirement and want to know more about the process, how your benefits are calculated and answers to key retirement questions.

Find out more - <https://www.eastsussexpensionfund.org/your-pension/paying-in/free-pension-training/>

Please share this link with your employees, so that they can book onto future courses. If any employers would prefer face-to-face training for their members, then please email employer.engagement@eastsussex.gov.uk with your request.

Employer role training

The Local Government Association have recently launched dates for their employer role training courses – see links below.

- [Employer Role training – Online 21 April 2026](#)
- [Employer Role training – London 7 May 2026](#)
- [Employer Role training – Online 21 July 2026](#)
- [Employer Role training – Online 19 August 2026](#)
- [Employer Role training – Online 24 September 2026](#)
- [Employer Role training – Online 27 October 2026](#)
- [Employer Role training – Online 26 November 2026](#)

For any further enquiries, please email training.lgps@local.gov.uk.

Further support for employers

The Fund offer a range of support material for employers. Here's a reminder...

[Appointing a payroll provider](#) - Find out about responsibilities you can delegate and what you need to tell us when appointing a payroll provider.

[Employer Fact Card 25/26 Scheme year](#) - A handy document with reminders of all things important to employers of the LGPS. We will provide all employers with an updated version prior to the start of the 26/27 Scheme year.

[Redundancy fact sheet \(for members\)](#) - A handy fact sheet for any members facing redundancy detailing the implications on their pension.

[Employer Toolkit](#) - It can be daunting as an employer in the LGPS. That is why the Fund provides an Employer Toolkit.

[HR guide](#) - This guide sets out the requirements for HR departments of LGPS employers.

[Payroll guide](#) - This guide sets out the requirements for payrolls in respect of the LGPS.

A lot of news and information key to employers can be found on a [dedicated page on our website](#).

[Ill health retirement guide](#) - This guide helps employers understand how ill health retirement works in the LGPS. It also details your role in supporting members through the process.

[Forms](#) – we have standard and editable forms available for both employers and members.

If you have any questions, please contact employer.engagement@eastsussex.gov.uk