Cambridgeshire Pension Fund   Northamptonshire Pension Fund

Employer bulletin

Improvements to assurance processes for town and parish councils

Why we're making this change

We've reviewed our processes to make sure we manage risk well and have the right controls in place when we act on employer decisions. This is especially important when a decision could lead to extra costs for a town or parish council.

In most town and parish councils, the Clerk is both a member of the LGPS and the council's chief officer. The Clerk manages the council's finances and can sign instructions and forms sent to the Pension Fund. This means there can be a real or perceived conflict of interest. This isn't usually the case for other employers, where pension decisions aren't signed by the LGPS member involved.

Most town and parish councils have strong controls in place. However, we've found a gap in our own process. To address this, we'll now need evidence that the council has followed its approval process before we act on employer decisions.

New requirement from 1 August 2026

From 1 August 2026, if a town or parish council makes a decision that affects the Clerk's pension benefits, we'll need proof that the council approved the decision.

This can be a copy of the decision recorded in the minutes of a full council or committee meeting.

What this means

This change adds an extra check for town and parish councils. We won't process any decision that affects a Clerk's pension benefits until we've received the required evidence.

Decisions covered by this change

This requirement applies to:

- Flexible retirement.
- Ill-health retirement.
- Retirement due to Redundancy or business efficiency.
- Awards of additional pension.
- Decisions to waive actuarial reductions.
- Shared Cost Additional Pension/Voluntary Contributions
- Any other employer decision that:
    - increases pension benefits significantly
    - creates a strain cost and or
    - increases pension risk in a material way.

What you'll need to do

Before making a decision:

- contact us to discuss any pension implications or costs
- we can provide cost estimates to help you make a decision.

After the decision is approved:

Please send us:

- evidence that the decision was approved.
- any forms needed to put the decision into effect, like:
    - a Retirement Notification Form
    - an Employer Decision Form.

Why this matters

This process helps us manage potential and perceived conflicts of interest. It also reduces the risk of unauthorised pension enhancements being applied to a member's benefits.

If you've any questions, please contact us.