

Pensions for Purpose backs government moves to tackle pension inequity – urges more ambitious reform

07 August 2025, LONDON: Pensions for Purpose has backed key government proposals to close the gender pensions gap and modernise survivor benefits in the local government pension scheme (LGPS), but says reforms must go further to deliver genuine equity for all members.

In its response to the government's LGPS: Access and Fairness consultation, Pensions for Purpose welcomed proposals that would improve pension outcomes for women, unmarried partners and those at risk of financial exclusion. These changes include removing nomination requirements for cohabiting survivors, extending pensionable leave provisions and mandating gender pensions gap reporting.

“We’re encouraged by the government’s direction of travel,” **said Laasya Shekaran, Director at Pensions for Purpose.** “These proposals represent meaningful progress, but true fairness in pensions requires not only better regulation, but deeper structural change.”

Pensions for Purpose has expressed strong support for:

- Removing administrative barriers to survivor pensions for cohabiting partners to access survivor pensions.
- Making short-term unpaid leave and unpaid child-related leave automatically pensionable, a step expected to significantly improve outcomes for women who are disproportionately affected by unpaid leave and caring responsibilities.
- Extending the buyback window to help members recover lost contributions from 30 days to one year.
- Introducing gender pensions gap and savings gap reporting within the LGPS.

However, Pensions for Purpose also highlighted the need for:

- Reporting annually, not just every three years, to better track and respond to gender pension disparities.
- Aligning employer reporting thresholds with gender pay gap rules (250 employees) to ensure consistency.
- Expanding focus beyond gender – collecting and analysing data on pensions gaps for other protected and marginalised groups

The organisation’s response reflects its ongoing work across Ecosystem Themes like People Value and System & Governance Change, advocating for inclusive and future-proofed pension systems.

As a trusted convener across the institutional investment landscape, Pensions for Purpose urged both policymakers and scheme administrators to think beyond compliance and engage with the deeper causes of pension inequity.

“We want to see pension schemes that reflect modern lives, care responsibilities and diverse work patterns – not just in policy, but in outcomes,” **added Shekaran**. “That means using data smartly, removing hidden penalties and aligning pensions with long-term wellbeing.”

The consultation closes on 7th August 2025.

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NOTES TO EDITORS

About Pensions for Purpose:

Pensions for Purpose is a membership organisation that brings together institutional investors, their managers and advisers to align investment decisions with long-term positive impact and value.

We help lead the conversation on integrating sustainability and impact into investments. Through learning, policy insight and support, we help our members embed impact into how they think, operate and invest. Our independence allows us to create a trusted space where members can collaborate openly and solve shared challenges.

We believe the investment system must deliver sustainable outcomes – for members and the world we retire into. That’s why we work with institutional investors, policy makers and other partners who use their agency to shift capital, to drive change and deliver outcomes that benefit people and planet alongside profits.