

# Matthews

- Consultation outcome



## Matthews 2(b)

Consultation on proposed amendments launched on 23 December 2024, setting out what elements were under consideration.

Consultation closed on 17 February 2025; response published on 4 December 2025.

Amendments to take effect from 1 April 2026

# Aim of the amendments

## Support implementation

- Extension of time limits to help FRAs who are overwhelmed with volume of cases.

## Address policy inconsistencies

- Parity on conversion options for all cohorts of member.

## Mitigate legal challenge

- Payment of missed pension/lump sum and associated survivor benefits.
- Extension to 'additional death grant' eligibility – Now to apply to those who **did not** join under M1.
- Alignment of scheme membership entitlement for individuals who opted out of standard service with those who never joined.

# Confirmed amendments



## Deceased individuals

- Missed Pension lump sum payments
- Missed survivor pension payments
- Additional death grant
- Extended death grant (misleading wording correction)



## Conversion options

- Special Deferred members
- Special Pensioner members who are in receipt of a Member Initiated Early Retirement payment of pension



## Lifting of restrictions on opt out cases



## Timings

- Flexibility to new provisions beyond 31 March 2026
- 2023 options exercise extension

## A word on deaths

1

Death grant for limited period

2

Death grant for extended limited period



Additional death grant

# Death grant for limited period

Introduced under M1 - [Part 5, 1A](#)

Eligibility: Employed as a retained FF on or after 1 July 2000 and died before 6 April 2006 (whilst still employed)

Entitlement: 2.5 x pensionable pay in last year of service

Beneficiary: 1. Spouse/civil partner 2. Child\*

- \*if not married or in civil partnership.
- Has to meet child definition – See [Part 4, Paragraph 7](#)

Deadline: 31 March 2015

# Death grant for extended limited period

Introduced under M2 - [Part 5, 1B](#)

Eligibility: Employed as a retained FF on or after 7 April 2000 and died before 6 April 2006 (whilst still employed)

Entitlement – In two parts

- 1. Basic death grant:  $2.5 \times$  pensionable pay in last year of service, plus
- 2. Additional death grant\*:  $0.1 \times$  pensionable pay in last year of service  $\times$  complete years of service during which the deceased was employed before 7 April 2000

\*Only payable to those who first took up employment as a retained FF before 7 April 2000.

No basic death grant is payable under this section if a death grant has been paid under rule 1A of this Part in relation to the deceased.

Beneficiary: 1. Spouse/civil partner 2. Child\*

\*if not married or in civil partnership.

•Has to meet child definition – See [Part 4, Paragraph 7](#)

Deadline: 31 March 2025

# Additional death grant

Introduced under M2 - [Part 5, 1C](#)

Eligibility

1. First took up employment as a retained FF before 1 July 2000, and
2. Elected to join the scheme under M1, and
3. Died before 31 March 2025 **and** before making an election under M2

Entitlement:  $0.1 \times$  pensionable pay in last year of service  $\times$  complete years of service during which the deceased was employed before 1 July 2000

Beneficiary: 1. Spouse/civil partner 2. Child\*

- \*if not married or in civil partnership.
- Has to meet child definition – See [Part 4, Paragraph 7](#)

Deadline: 31 March 2025

# New death provisions



Payment of 'missed' pension lump sum



Payment of survivor missed pension



Amendment to eligibility criteria for 'additional death grant' payment

# Missed pension lump sum

## Scope

1. Eligible for M1 and/or M2,
2. Died before purchasing their full entitlement under Matthews, **and**
3. Would have been entitled to receive their special pension payments or increased special pension payments prior to their death.

## Entitlement

- Payment of 'lost' pension
- Gross pension entitlement, including interest and PI but less member contributions
- The figures to be based on post commutation amounts
- Date of payment and interest accrual shall be assumed as the date the member would have become entitled to receive their pension payments.
- No conversion for those who were Standard members of FPS 2006
- Benefits for Standard service will have already been crystalised

## Beneficiaries

- Expected that any beneficiary will have to apply – not an automatic right.
- Applications to contain 'as much information as possible'
  - Evidence of entitlement **must** be provided
- Further clarity needed on hierarchy of beneficiary – Consultation talks about the deceased survivor (expected spouse, civil partner and possibly children) and estate.

# Survivors missed pension payment

## Eligibility

- Applicable to survivors of individuals identified as eligible for a missed pension lump sum
- Clarity needed on scope of beneficiary, expected to be spouse/civil partner and eligible children
  - Expected that they would have to meet child definition – [Part 4, Paragraph 7](#)

## Out of scope

- Need clarity from SI

## Entitlement

- $0.1 \times$  the deceased member's pensionable pay for each full qualifying year of service that is used to calculate the missed pension lump sum (to include interest)

# Extension to Additional Death Grant

Widen the eligibility criteria to include

- Eligible individuals who could have joined under M1, but either chose not to or were not given reasonable opportunity, and
- Died before making an election under M2

Entitlement

- $0.1 \times$  pensionable pay in last year of service  $\times$  complete years of service during which the deceased was employed (capped to 31 March 2015)

Beneficiary: 1. Spouse/civil partner 2. Child\*

- \*if not married or in civil partnership.
- Has to meet child definition – See [Part 4, Paragraph 7](#)

# Extension of conversion

Widen the scope to include

- Special deferred members, and
- Special pensioners in receipt of a Member Initiated Early Retirement (MIER)

What will new provisions allow?

- They will provide equity across the cohorts
- Continuous elements of Standard service will be permitted to be converted
- It will apply to:
  - Individuals who are currently in receipt of a standard deferred pension, and
  - Individuals who have an entitlement to a standard deferred pension which has not yet come into payment.

# ‘Opted Out’ periods to be in scope

## Current position

- Member treated as Special Deferred
- Service from date joined FPS 2006 to date of opt out remains Standard .
- Can purchase Special service from start date of unbroken retained employment up until the date they joined FPS 2006.

## New position

- All service from start date of unbroken retained employment to 31/03/2015 can be purchased and treated as Special service, to include:
  - Conversion of Standard FPS 2006 to Special
  - Period of retained opted out service.

# Deadlines

## Overall extension

- Provisions under M2 to be extended by an additional 12 months
- Extension from date of SI
- New deadline expected to be 31 March 2027

## Additional flexibility for new provisions

- Deadline to mirror overall extension – 31 March 2027
- Regulations to allow for cases which cannot be identified
  - Not clear on whether this will be indefinite

# Identification of cases

## Missed pension lump sums

- Were they eligible for M1/M2?
- Did they die before purchasing their 'full entitlement'?
- Would they have met the criteria for having their pension paid before their death?

## Survivor missed pension payment

- Has a Missed pension lump sum been identified?
- Are there any beneficiaries (spouse, civil partner, or eligible children)?

## Additional death grant extension

- Were they eligible for M1 but either chose not to or were not given reasonable opportunity?
- Did they die before making an election under M2?

## Conversion cases

- To identify all cases which were treated as Special Deferred members
- Do they have any consecutive Standard service?

## Optant outs

- To identify all cases which were treated as Special Deferred members
- Do they have a period of opted out service that relates to their unbroken retained role?

## Any questions



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**Thank you for listening!**

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