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## Employee contribution banding changes 2026/2027

The following table details the new employee contribution bands, effective 1 April 2026:

Actual Pensionable Pay	Main Scheme Contribution Rate	50/50 Scheme Contribution Rate
Up to £18,400	5.5%	2.75%
£18,401 to £29,000	5.8%	2.9%
£29,001 to £47,300	6.5%	3.25%
£47,301 to £59,800	6.8%	3.4%
£59,801 to £84,000	8.5%	4.25%
£84,001 to £119,100	9.9%	4.95%
£119,101 to £140,400	10.5%	5.25%
£140,401 to £210,700	11.4%	5.7%
£210,701 or more	12.5%	6.25%

Please ensure that the revised bandings are applied in time for April's pay.

We will update our [paying in](#) webpage on 1 April 2026 with these revised bandings.

# Flexible Retirement

We're taking this opportunity to remind employers of the flexible retirement process and the key steps involved.

[Flexible retirement](#) allows your LGPS members to begin receiving their pension benefits while continuing to work provided the following conditions are met:

- the member is aged 55 or over at the time of flexible retirement
- the flexible retirement is approved by the employer with the understanding that a pension [shortfall cost](#) may apply
- there is a reduction in the member's working hours or grade in line with the LGPS [employer discretions policy](#)

## The flexible retirement process

If an employee in the LGPS is considering flexible retirement, they should discuss this option with their line manager to begin the process of seeking formal consent.

## Pension impact

The pension benefits a member receives may be subject to [actuarial reductions](#). If the member is aged between 55 and 60 there may be a shortfall cost payable by the employer, so it is important to obtain a shortfall cost estimate from us and consider all potential financial implications when making these decisions.

## Discretions policy requirements

All employers participating in the Fund are required to:

- publish a discretions policy
- review this policy regularly
- update it when necessary

Your discretions policy must clearly state your position on flexible retirement. Any decisions made, including reductions in working hours, should align with the policy currently in place.

A template discretions policy, including an example policy for flexible retirement (which you can amend where necessary), is available on the [employer discretions](#) page on our website.

More information about flexible retirement and how to request a shortfall estimate can be found on our [redundancy and other retirements](#) webpage.

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## Preparing your March 2026 i-Connect file

Your March i-Connect submission is the last one of the 2025-2026 scheme year. We generate your employees' annual benefit statements using the information you provide. Therefore, it is important that you familiarise yourself with the [i-Connect user guide](#) for employers found on our website.



The guide outlines the information you must include in your i-Connect file, most importantly,

- what to include within the 'FTE (full-time equivalent) Final Pay' field, as this figure is used to calculate any pre-2014 benefits, and
- how to correctly report term-time only staff with payment days/weeks (where contracts cover working periods of less than 365 days / 52 weeks)

Missing or inaccurate information from your March 2026 submission, may result in additional administration for Derbyshire Pension Fund. This may lead to costs being passed onto you and potential delays in the preparation of your employees' annual benefit statements.

If your payroll provider submits data to us on your behalf, please ensure this message is passed onto them.

If you have any queries regarding your i-Connect submission, please contact our Data & Systems team: [pensions.tech@derbyshire.gov.uk](mailto:pensions.tech@derbyshire.gov.uk)

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## New CR1 forms for 2026/2027

Employers will shortly receive their contribution return templates (CR1 forms) for the 2026/2027 scheme year.

Please ensure that the new template is used from your April 2026 LGPS contribution payment onwards and for the remainder of the 2026/2027 scheme year. Previous versions of the template will not be accepted.

If your employer contribution rate has changed for the 2026/2027 scheme year, please ensure that the updated rate is applied to your April 2026 contribution payment and corresponding CR1 return.

If you have any queries when you receive your CR1 form, please contact our Data & Systems team: [pensions.tech@derbyshire.gov.uk](mailto:pensions.tech@derbyshire.gov.uk)

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## Employee details changes

It's important that you let us know as soon as possible when an employee's details change, for example, their title, name, address. This helps us to minimise the risk of data breaches occurring.

If you're not yet using i-Connect, please notify us using the C1 form when any of your LGPS members change their personal and contact details. Member notification forms (including the C1 form) are available on the [forms for employers](#) section of our website.

## Email addresses

Our email addresses and what they are used for:

[dpf.employers@derbyshire.gov.uk](mailto:dpf.employers@derbyshire.gov.uk) - For submitting [member notification forms](#)

[pensions.tech@derbyshire.gov.uk](mailto:pensions.tech@derbyshire.gov.uk) - For submitting [contribution returns](#) (CR1s) and payment queries

[pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk) - For queries relating to [i-Connect](#) onboarding, regulations, training and events

For queries and requests from members of the LGPS, please direct them to the [enquiry form](#) on our website.

If you have any queries about the information provided in this Newsletter, or about the LGPS in general, please contact us at:

Derbyshire Pension Fund, County Hall, Matlock, DE4 3AH

Tel: 01629 538900

Email: [pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk)

Website: [www.derbyshirepensionfund.org.uk](http://www.derbyshirepensionfund.org.uk)



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