

Introduction

There are two sections to the Local Government Pension Scheme (LGPS). There is the normal section, known as the **Main Section** and there is the **50/50 Section**. The **Main Section** is where you pay normal contributions and receive the normal pension build up, whereas under the **50/50 Section** you have the option to pay **half** your normal contributions to build up **half** your normal pension during this time.

What would my contribution rate be under the 50/50 Section?

The following table shows the contribution bandings that apply in the **Main Section** and the **50/50 Section**:

Actual Pensionable Pay	Main Section - Contribution	50/50 Section - Contribution
Up to £14,100	5.50%	2.75%
£14,101 to £22,000	5.80%	2.90%
£22,001 to £35,700	6.50%	3.25%
£35,701 to £45,200	5.80%	3.40%
£45,201 to £63,100	8.50%	4.25%
£63,101 to £89,400	9.90%	4.95%
£89,401 to £105,200	10.50%	5.25%
£105,201 to £157,800	11.40%	5.70%
More than £157,801	12.50%	6.25%

Will the 50/50 Section affect my life assurance, ill health cover and survivor benefits?

Regardless of whether you are contributing under the **Main Section** or the **50/50 Section**, you will get full life assurance cover, full ill health cover and full survivor benefits in the event of your death.

How will my pension compare under the 50/50 Section?

The following example shows the difference between the contributions payable and the pension build up between the **Main Section** and the **50/50 Section**, based on an annual pensionable pay of £18,000.

	Main Section	50/50 Section
Gross Contribution:	£1,004 (5.80%)	£522 (2.90%)
Pension Build Up:	£367.35 (1/49th)	£183.67 (1/98th)
Life Assurance Cover:	£54,000 (3 x £18,000)	£54,000 (3 x £18,000)

How do I join the 50/50 Section?

Please contact your Employer / Pension Fund to request a 50/50 Election Form. Please note that if you wish to move to the **50/50 Section** in more than one post, you will need to complete an Election Form for each post.

How long can I contribute to the 50/50 Section?

The **50/50 Section** is designed to be a short term option during periods of financial hardship. There is no maximum period that you can remain in the **50/50 Section** of the scheme. However, as part of the automatic enrolment process, you will be brought back into the **Main Section** every three years on the full contribution rate. A new 50/50 Election Form would have to be completed at this point, if you wanted to remain in the **50/50 Section**.

Can I move back into the Main Section at any time?

Yes, you can move back into the **Main Section** at any time by informing your Employer, via the completion of the appropriate Election Form. You will then start to build up full benefits in the **Main Section** from the next available pay period.

What about if I am on no pay due to sickness or injury?

You will automatically return to the **Main Section** if you are on no pay due to sickness or injury and will accumulate pension at the full rate.

What if I pay additional contributions?

If you are paying additional contributions or considering paying additional contributions in the future, please contact the Pension Fund to find out more as to how the **50/50 Section** will impact on this.

Can my Employer ask me/force me to join the 50/50 Section?

Your employer **CANNOT** ask you or force you to join the **50/50 Section** of the scheme. However, if this is the case, you can inform the Pensions Regulator by visiting their website: www.thepensionsregulator.gov.uk

Financial Advice

Please note that the Pension Fund is unable to provide any financial advice. Once you have considered this information, you may need to seek Independent Financial Advice before making a decision.

Further Information

This factsheet gives general guidance only. For further information, please contact:

Tel: **029 2087 2334**

Email: pensions@cardiff.gov.uk



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factsheet



50/50 Section