Diagram

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Cardiff & Vale of Glamorgan Pension Fund – 01 April 2025

Pension Scheme Contributions are deducted automatically from your pay, it is important that you take the time to read this brochure.

NOW's the time to be planning for your future, so you need to consider a pension.

CHOOSE the Local Government Pension Scheme (LGPS) and have a head start.

THAT's because the Scheme is provided by your employer who pays a large slice of the cost for you.

THE Scheme is an integral part of your pay package and is in ADDITION to your salary.

The cost to you is LESS than you might think.

YOU pay a contribution of between 5.5% and 12.5% of your pay depending on your annual pensionable pay, based on the following table.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Annual Pay | Up to £17,800 | From £17,801 to £28,000 | From £28,001 to £45,600 | From £45,601 to £57,700 | From £57,701 to £81,000 | From £81,001 to £114,800 | From £114,801 to £135,300 | From £135,301  To £203,000 | £203,001 or more |
| Contribution Rate | 5.5% | 5.8% | 6.5% | 6.8% | 8.5% | 9.9% | 10.5% | 11.4% | 12.5% |

EVEN LESS if you pay tax



AND your employer pays the rest, which costs your employer about double the amount you pay.

THIS is one of the best ways to plan for retirement with an excellent range of benefits that both full-time and part-time employees can enjoy.

THESE INCLUDE:

Life cover from the moment you join, with a lump sum of 3 years pay being paid if you die in service.

Cover for your family with a pension for your husband, wife, civil partner, or eligible cohabiting partner and for eligible children should you die.

Protection for you after 2 years with:

Immediate benefits at any age if you must retire because of permanent ill health and are incapable of other work.

Early payment of benefits when you are aged 55 or over  
- if you are made redundant or retired on efficiency grounds, or  
- your employer agrees to your early retirement

The right to voluntarily retire from age 55 or over, even though the Scheme’s normal pension age is linked to State Pension Age. (Benefits payable before normal pension age will be paid at a reduced rate.)

WHEN YOU RETIRE you can look forward to

A pension for life that increases with the cost of living

A tax-free lump sum by giving up part of your pension

HOW ARE BENEFITS WORKED OUT?

For each year you are in the Scheme you build up a retirement pension of 1/49th of your pensionable pay. The amount of pension built up during the scheme year is added to your pension account and revalued at the end of each scheme year to keep up with the cost of living.

Sian joins the scheme on 1 April 2014. Her pensionable pay is £24,500 in scheme year 1 and her pensionable pay increases by 1% each year. Let's assume that the cost of living (revaluation adjustment) is 3% each year.

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| --- | --- | --- | --- | --- | --- |
| Scheme Year | Opening Balance | Pension Build up in Scheme year Pay/ Build up rate = Pension | Total Account 31 March | Cost of living Revaluation adjustment | Update Total Account |
| 1 | £0.00 | £24,500/49 = £500.00 | £500.00 | 3% = £15.00 | £500.00 + £15.00 = £515.00 |
| 2 | £515.00 | £24,745/49 = £505.00 | £1,020.00 | 3% = £30.60 | £1,020.00 + £30.60 = £1,050.60 |
| 3 | £1,050.60 | £24,992.45/49 = £510.05 | £1,560.65 | 3% = £46.82 | £1,560.65 + £46.82 = £1,607.47 |
| 4 | £1,607.47 | £25,242.37/49= £515.15 | £2,122.62 | 3% = £63.68 | £2,122.62 + £63.68 = £2,186.30 |
| 5 | £2,186.30 | £25,494.79/49 = £520.30 | £2,706.60 | 3% = £81.20 | £2,706.60 + £81.20 = £2,787.80 |

At the end of 5 years Sian has built up a pension of £2,787.80. On retirement she can swap a part of her pension to have a tax free lump sum.

FLEXIBILITY TO PAY MORE OR LESS

You have the option to pay half of your normal contribution in return for half of your normal pension. This is known as the 50/50 section and is designed to help people stay in the scheme when things are financially tough. If you wish to know more about the 50/50 section, you can request details and a form from your employer. Please note you cannot elect for the 50/50 section until you start your employment. You can also boost your pension by paying more in. For more information, please contact the pension section.

Further information including a more detailed guide to the scheme can be found at [www.cardiffandvalepensionfund.org.uk](http://www.cardiffandvalepensionfund.org.uk) or e-mailing [pensions@cardiff.gov.uk](mailto:pensions@cardiff.gov.uk).

The Cardiff & Vale of Glamorgan Pension Fund

How to Join

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| • If you start a job in which you have a contract of employment of 3 months or more, you will automatically be brought into the scheme. Check your payslip to make sure contributions are being deducted. If your contract is less than 3 months, you may still join the scheme by opting in. To get an opting in form please contact HR People Services at the address below.  • Please complete the attached Pension Starter form and return to the address below.  • When you join you will be placed into the main section of the scheme. However, once you are a member of the scheme you will be able to elect in writing at any time to move to the 50/50 section of the scheme. This allows you to pay half of your normal contributions to build up half of your normal pension entitlement. You can get more information and an option form from your employer. You cannot opt for 50/50 until you start employment. If you have more than one post you will need to state if you wish to elect for 50/50 in one, some or all posts.  • If, after careful consideration, you decide you do not want to be a member of the pension scheme you have the right to opt out. To request an opting out form please contact the Pensions Team on 029 20872334 or by email at [pensions@cardiff.gov.uk](mailto:pensions@cardiff.gov.uk). Under Government legislation you cannot opt out until you start your employment. Any opting out forms that are dated or received prior to the start date will be invalid and you will have to complete a new form. You cannot opt for 50/50 until you start employment. If you have more than one post you will need to be clear if you wish to elect for 50/50 in one, some or all posts.  • If a valid opt out form is received by your employer within 3 months from your date of starting, you will be treated as never having been a member of the scheme and will receive a refund of  contributions from the payroll section. If you opt out with between 3 months and 2 years membership you may still receive a refund unless you have other local government pension rights or have transferred a past pension into the fund. This will be paid by the pension fund.  • If you opt out of the scheme or opt to join the 50/50 section of the scheme, your employer will be required to comply with the automatic enrolment provisions under the Pensions Act 2008 and may automatically enrol you into the main part of the Pension Scheme at certain times. Your employer must notify you if this happens. You would then have the opportunity to opt out or elect to re-join the 50/50 section.  • You may also wish to complete the enclosed death grant nomination (expression of wishes) form. This indicates who you would wish to receive the death grant in the event of your death and can aid the pension fund in ensuring that the grant is paid in accordance with your wishes.  • The scheme automatically provides a pension for a husband, wife, registered civil partner or eligible co-habiting partner to receive a pension in the event of your death. For an eligible cohabiting partner to receive a pension in the event of your death certain conditions must be met.  To find out more please contact the pension section.  The completed forms should be returned to:  [pensions@cardiff.gov.uk](mailto:pensions@cardiff.gov.uk)  This leaflet is a brief guide to the Scheme and is based on our understanding of the Regulations that apply from 1 April 2014. It cannot cover every personal circumstance, nor override the provisions of the Local Government Pension Scheme Regulations. In the event of any dispute over your pension benefits, the appropriate legislation will prevail. This leaflet does not confer any contractual or statutory rights and is provided for information purposes only. The Government may make changes to overriding legislation after consultation with interested parties to LGPS. |
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