

Contribution flexibility

The LGPS 50/50 section – notes for scheme members



How does the 50/50 section work?

There are two sections in the Local Government Pension Scheme from 1 April 2014 - the Main section and the 50/50 section. The Main section is where you pay normal contributions and get the normal pension build up. In the 50/50 section members pay half contributions and build up half of the normal pension. A member can elect to move from the Main section to the 50/50 section at any time. The enclosed form should be used as your election. If you have more than one employment you can elect to join the 50/50 section in one, some or all your employments.

Ancillary benefits such as the lump sum paid on death in service, ill health enhancements and any survivor benefits are not affected by an election to join the 50/50 section.

If you choose to move to the 50/50 section any extra pension contributions or additional voluntary contributions (AVCs) would continue to be payable in full (not at half rate). The only exception to this is that any additional pension contributions (APCs) you are paying to purchase extra pension may have to cease depending on the reason why APCs are being made. If you are paying additional contributions or considering paying additional contributions in the future please contact the **East Riding Pension Fund's Helpline** on **01482 394103** to discuss this matter as moving to the 50/50 section may have an impact on this.

Further information on the LGPS is also available on the LGPS 2014 website, www.lgps2014.org

How long can I remain in the 50/50 section?

The 50/50 section is designed to be a short-term option. Because of this your employer is required to re-enrol you back into the Main section of the scheme **every three years**. This will be carried out in line with your employer's automatic re-enrolment date. Your employer will tell you when this is if you are in the 50/50 section of the scheme. If you wish to continue in the 50/50 section at that point you would need complete another form to elect to remain in that section. If you go onto no pay due to sickness or injury, you will be moved back into the Main section by your employer. On your return to work you can make a further 50/50 election, if you wish. You can choose to revert back to the Main section of the scheme at any time by informing your employer in writing and you will then start to build up full benefits in the Main section from your next available pay period.

Example: comparison of the Main section v 50/50 section

Based on an employee earning £18,375 a year paying a contribution rate of 5.8%

Main section	50/50 section
Gross contribution in the Main scheme (for 1 year) 5.8% = £1,065.75	Gross contribution in the 50/50 section (for 1 year) 2.90% = £532.88
Pension build up before revaluation in the Main scheme (for 1 year) £375.00 for each year in Retirement	Pension build up before revaluation in the 50/50 section (for 1 year) £187.50 for each year in Retirement
Lump Sum Death Grant £55,125 (3 x £18,375)	Lump Sum Death Grant £55,125 (3 x £18,375)

If you decide you want to join the 50/50 section of the LGPS you will need to complete the form 'Contribution flexibility – election to join the LGPS 50/50 section' and return this form to your payroll department. **Do not** return it to the East Riding Pension Fund as this may delay your form being processed. The form for completion is available [here](#).