

Contribution Flexibility: 50/50 Section

As a member of the Local Government Pension Scheme (LGPS) you have the option to pay less contributions in return for less pension

What is the 50/50 section?

There are two sections of the LGPS: the main section and the 50/50 section. The main section is where you pay normal contributions and get your normal pension build up, whereas the 50/50 section offers the flexibility to pay half your normal contribution rate and build half the pension whilst retaining full life and ill-health cover. It is designed to help members stay in the scheme during times of financial hardship.

How much does it cost?

The rate of contributions you pay will be based on your actual pensionable pay.

From 1 April 2014 this includes non-contractual (as well as contractual) overtime and any additional hours worked in excess of your contractual hours. The contribution rates and/or pay bands will be reviewed periodically and may change in the future.

Contribution bandings 2020/21

Band	Actual pensionable pay	Main section contribution rate	50/50 section contribution rate
1	Up to £14,600	5.50%	2.75%
2	£14,601 to £22,800	5.80%	2.90%
3	£22,801 to £37,100	6.50%	3.25%
4	£37,101 to £46,900	6.80%	3.40%
5	£46,901 to £65,600	8.50%	4.25%
6	£65,601 to £93,000	9.90%	4.95%
7	£93,001 to £109,500	10.50%	5.25%
8	£109,501 to £164,200	11.40%	5.70%
9	£164,201 or more	12.50%	6.25%

How does it work?



You can elect to join the 50/50 section at any time. To do this, an election to join must be made in writing to your employer.

Your employer may have a form for this, but a letter to them will be accepted as an election. Once this has been received, you will then be moved to the 50/50 section of the scheme at the next available payroll date.

If you have more than one job, you can elect into the 50/50 section in one, some, or all of your jobs.

If you are in the LGPS with more than one employer, a separate election must be completed and returned to each employer where you wish 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 would have to cease (unless those APCs are to purchase pension 'lost' during a period of authorised unpaid leave or absence or during a period of unpaid additional maternity, paternity or adoption leave).

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

The 50/50 section is designed to be a short-term option for when times are tough financially.

Because of this, your employer is required to automatically enrol you back into the main section of the LGPS approximately three years from the date they first have to comply with the automatic enrolment provisions of the Pensions Act 2008 (and approximately every three years thereafter). You will be moved back into the main section of the scheme at that time, irrespective of when your election to join the 50/50 section took place (even if, for example, you had only elected for the 50/50 section the previous month). You will be notified when this is about to happen. If you wish to continue in the 50/50 section at that point, you would need to make another election to remain in the 50/50 section.

If, during a pay period, you go onto 'no pay' due to sickness or injury and you are still on 'no pay' at the beginning of the next pay period, your employer will then move you back into the main section of the LGPS. That is to your advantage as you will then start to accrue full pension again, even though you will not be paying pension contributions. On return to work, you would have the right to make an election to move back into the 50/50 section if you wished to do so.

At any time, while you are in the 50/50 section, you have the right to elect to move back into the main section of the scheme (provided you are under the age of 75 and you remain in a job that qualifies you for membership of the scheme). You would be brought back into the main section from the next

available pay period after your employer receives your election form, and you would then start to again build up a full pension. If you are in the 50/50 section in more than one job, you can elect to move back into the main section of the scheme in all or some of the jobs.

If you take up another job with your employer at the same time as continuing to hold your current job, you will be put into the main section of the LGPS in that new job. You would have the right to make an election to move into the 50/50 section of the scheme in that new job if you wished to do so.

If you change jobs and move to a new employer where you are eligible to join the LGPS, your new employer will put you into the main section of the LGPS in that new job. You would then have the right to make an election to move into the 50/50 section in that new job if you wished to do so.

Can my employer ask me or force me to join the 50/50 section?

No, your employer cannot ask you or force you to join the 50/50 section. If you are asked or forced to join the 50/50 section, you can contact The Pensions Regulator at www.thepensionsregulator.gov.uk/contact-us



Completing an election

Your completed election (form from your employer or letter) should be returned to your employer's Payroll section or Human Resources department.

Please remember that you should provide sufficient details for your employer to identify the job(s) in which you wish to join the 50/50 section. If this detail is not provided, then the election will not be accepted as a valid request and will be returned to you for clarification.

Your election will be used to cease your main section contributions of the main section of the LGPS, and commence deductions on half of your normal pension contributions as per your instructions.

This will be retained by your employer as a record of your election to join the 50/50 of the LGPS or, if you hold more than one job with an employer, as a record of your election to join the 50/50 section in the job or jobs you have indicated.



Contact details



West Midlands Pension Fund
PO Box 3948
Wolverhampton
WV1 1XP



Customer Services: 0300 111 1665



Email: www.wmpfonline.com/contactus



Web: www.wmpfonline.com



Pensions Portal: www.wmpfonline.com/pensionsportal

Lines open during the following times:

8:30am to 5.00pm Monday - Thursday

8:30am to 4.30pm Friday.

Calls may be monitored for training purposes.