



The 50/50 Section

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. With the **50/50 Section** you pay **half** your normal contributions to build up **half** your normal pension.

How much will it cost you to join the 50/50 Section?

The following table shows the contribution bandings that apply in the **Main Section** and the **50/50 Section** from 1st April 2022 to 31st March 2023:

Your Actual Pensionable Pay	Contribution Rate for the Main Section	Contribution Rate for the 50/50 Section
Up to £16,500	5.50%	2.75%
£16,501 to £25,900	5.80%	2.90%
£25,901 to £42,100	6.50%	3.25%
£42,101 to £53,300	6.80%	3.40%
£53,301 to £74,700	8.50%	4.25%
£74,701 to £105,900	9.90%	4.95%
£105,901 to £124,800	10.50%	5.25%
£124,801 to £187,200	11.40%	5.70%
More than £187,201	12.50%	6.25%

Will the 50/50 Section affect your 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 your pension build up in the main and 50/50 Section?

The example below shows the difference between the contributions you pay, and the pension you build up between the **Main Section** and the **50/50 Section**, using 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 you join the 50/50 Section?

If you would like to join the 50/50 Section of the pension scheme, contact your Employer / Pension Fund to request a **50/50 Election Form**. If you have more than one job / post, you will need to complete an Election Form for each job / post.

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

The **50/50 Section** is designed to be a short-term option to help you during periods of financial hardship. There is no time limit to how long 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. If you want to remain in the 50/50 Section, you will need to complete a new **50/50 Election Form**.

Can you move back into the Main Section?

Yes, you have the option to move back into the **Main Section** at any time. You will need to complete an Election Form to rejoin the **Main Section** of the Scheme. You will then start to build up full benefits in the **Main Section** from the next pay period.

What happens if you are on no pay due to sickness or injury?

If you are receiving no pay due to sickness or injury you will automatically be moved back into the **Main Section of the pension scheme**. You will build pension benefits at the full rate.

Can you pay additional contributions?

If you are in the 50/50 Section of the pension scheme and paying or considering paying additional contributions, please contact the Pension Fund to discuss how this will impact on the **50/50 Section**.

Can your 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. If you feel your Employer is encouraging you to join the **50/50 section** of the pension scheme, please inform **The Pensions Regulator** (TPR). You can do this through their website: www.thepensionsregulator.gov.uk

Can the Pension Fund give me 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.

Where can you find more Information?

This factsheet gives general guidance only, if you need further information, please contact the Gwynedd Pension Fund:

Tel: 01286 679982

Email: pensions@gwynedd.llyw.cymru

Disclaimer

The Pension Fund is unable to provide any financial advice. After reading this factsheet, you may want to seek independent financial advice to make an informed decision.

These bodies may be able to help you:

Unbiased: <https://unbiased.co.uk/>

Money Helper: [Choosing a financial adviser \(moneyhelper.org.uk\)](https://www.moneyhelper.org.uk/)