

# Royal County of Berkshire Pension Fund

## 50/50 Section factsheet and election form

### Introducing the 50/50 Section

There are two sections of the Local Government Pension Scheme (LGPS) the MAIN section and the 50/50 section. Under the MAIN section of the scheme you pay your normal contribution rate to get the normal pension build up. Under the 50/50 section you pay half your normal pension contribution and get half the pension build up in return.

### How much will I pay under the 50/50 section?

The monthly contribution rate that you pay is determined by how much you earn as assessed by your employer every April and in accordance with a series of salary bandings (see table below). You will pay contributions at the appropriate band rate on all pensionable pay received in respect of your employment rounded down to the nearest whole pound. If you elect to enter the 50/50 section of the LGPS you will pay half of the full contribution. The salary bandings effective from **1 April 2024** to **31 March 2025** are as follows:

Contribution Rates 2024/2025			
Banding	Annual Salary Range	MAIN Section	50/50 Section
1	Up to £17,600	5.5%	2.75%
2	£17,601 to £27,600	5.8%	2.9%
3	£27,601 to £44,900	6.5%	3.25%
4	£44,901 to £56,800	6.8%	3.4%
5	£56,801 to £79,700	8.5%	4.25%
6	£79,701 to £112,900	9.9%	4.95%
7	£112,901 to £133,100	10.5%	5.25%
8	£133,101 to £199,700	11.4%	5.7%
9	£199,701 or more	12.5%	6.25%

### Example

The following example shows the difference between pension contribution payments under the MAIN section and 50/50 section of the LGPS.



## How will this affect my pension?

Under the 50/50 section you will be paying half your normal pension contribution and in return you will receive half of the normal pension build up. This is demonstrated in the example below:

### Example

A member works full-time and earns £20,000 per annum. Based on this salary the amount of annual pension that would be added to their pension account at the end of each year would be as follows:

	<b>MAIN Section</b>	<b>50/50 Section</b>
<b>Annual Pensionable Pay</b>	<b>£20,000</b>	<b>£20,000</b>
<b>Contribution Rate</b>	<b>5.8%</b>	<b>2.9%</b>
<b>Gross monthly contribution amount</b>	<b>£96.67 (5.8%)</b>	<b>£48.33 (2.9%)</b>
<b>Accrual rate</b>	<b>1/49<sup>th</sup></b>	<b>1/98<sup>th</sup></b>
<b>Annual Pension Build up</b>	<b>£408.16</b>	<b>£204.08</b>
<b>Death in Service Grant</b>	<b>£60,000</b>	<b>£60,000</b>

Based on the above example the member would have £408.16 of annual pension added to their pension account at the end of the Scheme year if they were paying into the MAIN section of the scheme. If the member was paying into the 50/50 section of the LGPS they would have £204.08 of annual pension added to their pension account (£408.16/2).

### **Important note about Life Cover**

You will still receive full life cover regardless of which section you are paying into. This means that if you were to die in service a death grant would become payable to your nominated beneficiary(ies) to the value of three times your assumed pensionable pay at your date of death. Survivors pensions would also be payable in the normal way assuming you had paid the full pension contribution rate under the MAIN Section of the scheme. You are also fully protected under the permanent ill-health retirement regulations.

## **How long can I remain in the 50/50 Section?**

Entry into the 50/50 section of the LGPS is designed to be a short-term option for when times are tough financially, 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're in the 50/50 section of the scheme. If you wish to continue in the 50/50 section at that point you would need to make another election to remain in that section. You will also be put back in the MAIN section should you be on long-term sick leave and go onto no pay.

You can choose to revert back to the MAIN section of the scheme at any time by completing form LGS10B and sending this to your employer. You will then start to build up full benefits in the MAIN section from your next pay period.

## **Can I purchase additional pension under the 50/50 section?**

Under the LGPS scheme members can buy extra annual pension by paying Additional Pension Contributions (APCs), but this is not an option for members of the 50/50 section unless you are purchasing an amount of 'lost' pension due to a period of unpaid absence.

The option to pay APCs to purchase additional pension is only available for members who are contributing to the MAIN section of the LGPS.

## **How do I sign up for 50/50?**

You can opt into the 50/50 section of the LGPS at any time after your date of admission to the LGPS. Please note that you CANNOT elect to join the 50/50 section of the scheme prior to becoming a member of the MAIN section of the 2014 scheme. So, for example, a new starter could not opt for the 50/50 section before commencement of employment. However, they could elect on or after starting and subject to your employer's payroll deadline it may be possible to join the 50/50 section from the first day of your employment.

To opt into the 50/50 section of the LGPS please complete and return the form on page 5 of this factsheet and return to your **Payroll Department**.

On receipt of the completed form your Payroll Department will commence your 50/50 pension contributions from the first available pay period following your date of election.

## **Important reminder:**

The 50/50 section is designed to be a short-term option. Because of this you are required to be re-enrolled back into the MAIN section of the scheme from your employer's automatic re-enrolment date or from any point that you may enter a period of no pay due to long-term sickness absence.

## **Where can I find out more?**

More detailed information about the scheme is available from the pension team at the following address: **Royal County of Berkshire Pension Fund, Zone C Town Hall, St Ives Road, Maidenhead, Berkshire, SL6 1RF**

**Tel: 01628 796 668**

**E-mail: [info@berkshirerpensions.org.uk](mailto:info@berkshirerpensions.org.uk)**

**Web: [www.berkshirerpensions.org.uk](http://www.berkshirerpensions.org.uk)**

# APPLICATION FORM FOR ENTRY INTO THE 50/50 SECTION OF THE LOCAL GOVERNMENT PENSION SCHEME 2014

## Please complete this form using black ink

This application form should only be completed by a scheme member who wishes to opt in to the 50/50 section of the Local Government Pension Scheme in respect of employment with an employer participating in the Royal County of Berkshire Pension Fund.

<b>Your Details</b>			
<b>Surname</b>		<b>Title</b>	
<b>Forenames</b>			
<b>Date of Birth</b>		<b>NI Number</b>	
<b>Home Address</b>			
		<b>Postcode</b>	
<b>Employer Name</b>			
<p>If you hold more than one post we will assume you wish to join the 50/50 section in all posts unless you specify in the boxes below the name of the post (or posts) which you DO wish to opt in to the 50/50 section of the LGPS.</p>			
<b>Post 1 – Job Title</b>		<b>Pay Ref</b>	
<b>Post 2 – Job Title</b>		<b>Pay Ref</b>	
<b>Post 3 – Job Title</b>		<b>Pay Ref</b>	
<b>Post 4 – Job Title</b>		<b>Pay Ref</b>	
<ul style="list-style-type: none"> <li>I declare that by opting into the 50/50 section of the Local Government Pension Scheme (LGPS) I understand that I will build up half my normal pension for the duration of this election.</li> <li>I also understand that I will be re-enrolled back into the MAIN section of the scheme from my employer's automatic re-enrolment date or any or from any point that I may enter a period of no pay due to sickness absence.</li> </ul> <p><b>PLEASE NOTE:</b> You cannot sign and date this form until after the date you joined the MAIN section of the pension scheme. If you do the form will be treated as invalid and you will need to complete another form.</p> <p><b>Please hand-sign this form with your usual signature</b></p>			
<b>Signed</b>		<b>Date</b>	
<b>Please return your completed form to your PAYROLL DEPARTMENT</b>			
<b>PAYROLL USE ONLY</b>			
<b>Officer Signature</b>		<b>Date actioned</b>	