

Factsheet


peninsula
pensions

Looking forward to your retirement

The 50/50 Scheme

Contributing half – the same security



Photo taken in Devon by Roy Riley

lgps

Local Government Pension Scheme



Devon
County Council 

50/50 Scheme

Flexibility to pay half rate pension contributions

In 2014 the Local Government Pension Scheme (LGPS) regulations introduced an option for members to pay half pension contributions in return for half the benefits – it's called the 50/50 scheme.

This option is useful for members who don't want to opt out of the pension scheme but are finding it difficult to pay their full pension contributions each month. Also, for those affected by Annual Allowance charges, this could be a way of reducing or avoiding a charge by the HMRC.

How does 50/50 work?

There are two sections of the LGPS:

- the main 100/100 section, and
- the 50/50 section.

The main section of the scheme is the section you will be placed in when you are enrolled into the scheme. In that section, you pay normal contributions and get the normal pension build up.

Once you are in the main scheme, you can then choose to join the 50/50 section of the scheme if you wish. If you do this, you will then pay half contributions but you will only build up half the normal pension. If you have more than one job you can choose the 50/50 option in one, some or all your jobs.

Regardless of which section you are in, you get full life assurance cover, ill-health benefits and survivors' benefits.

Who can choose 50/50?

Any member can choose to pay into the 50/50 section at any time. There is an option form available from your employer or by downloading it from our [website](#). Once completed, please return the form to your employer to deal with from the next available pay period. Your employer will let us know if you have chosen to join the 50/50 part of the scheme. You can switch between the two sections at any time.

How long can you 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 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 wish to continue in the 50/50 section at that point you would need to choose again to remain in that section.

You can choose to revert back to the main section of the scheme at any time by completing the [form](#) for the main section and returning it to your employer and you will then start to build up full benefits in the main section from your next available pay period.

Also, you will automatically revert to the main scheme if you go onto no pay though sickness/injury, this is to ensure you receive full benefits for this period of no pay. Once you return to work you will be able to opt for the 50/50 section again if you wish.



'Susan' - an example

Susan pays fewer contributions in the 50/50 section – 3.25% instead of 6.5% and she builds up half the pension in the 50/50 section, £250, payable every year in retirement. This compares to a pension of £500 if she was in the main section.

But remember, the value of any lump sum life assurance cover payable (three times annual pensionable pay), ill-health benefit and survivor's pension remains the same regardless of which section of the scheme Susan pays into.

Paying Additional Contributions

If you are paying additional pension contributions into the LGPS you may not be able to continue to do so in the 50/50 section. Please contact Peninsula Pensions for more information.

Available Form

The [50/50 option form](#) is available from your employer or can be downloaded from the Peninsula Pensions website.

Contact Us

For further information please contact us:



01392 383000 – ask for Pensions



pensions@devon.gov.uk



www.peninsulapensions.org.uk



Peninsula Pensions, Devon County Council, Great Moor House, Bittern Road, Sowton Industrial Estate, EXETER, EX2 7NL