



## 50/50 Section

The LGPS has two sections: a main section and a 50/50 option. When employees first join the scheme, they are automatically put in the main section where they pay standard contributions and build up standard benefits.

The 50:50 option of the Scheme works on the basis that members pay half their contributions and in exchange the annual pension built up will be halved. This is designed to help members stay in the scheme, building up valuable pensions benefits during times of financial hardship.

### Benefits of the 50/50 Option

- Members pay half the normal pension contributions but build up half the pension
- Whilst in the 50/50 option a full death grant lump sum (3 times their pay), is still payable if they die in service
- There is no impact on the value of any pension for their spouse, civil partner, eligible cohabiting partner or eligible children
- They can opt in and out of the 50/50 option whenever they need to and as many times as they wish
- If they are retired on ill health at any age, they remain entitled to full ill health enhancement if applicable.
- Members with multiple employments can be in the 50/50 section for one employment and the main section in the other(s) or any other similar combination.

## What happens to employer contributions?

While an employee is in the 50/50 section, the employer contribution is still the normal full contribution rate, not half that rate.

## How do employees apply for the 50/50 Section?

Employees should complete the LGPS 50A form 'Temporary reduction in contributions' and send it to their Payroll department. There are two options to choose from:

1. [Standard PDF](#) - to print, complete and send.
2. [Editable PDF](#)\* - complete the form online, print, sign and send.

\*We need an original signature(s) for **all** forms.

Once your employee has completed their section you must complete the information on page 5 and return the form to:

Post: Pensions, East F, County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE

Email: [pensions@eastsussex.gov.uk](mailto:pensions@eastsussex.gov.uk)

## Can employees remain in the 50/50 Section?

For all members of the 50/50 section, following re-enrolment (under Auto-enrolment legislation) all 50/50 section members should be re-enrolled in the main section of the Scheme, even if they are not an eligible jobholder. Employers will need to make members aware of this change of section.

The member still has the right to sign another election form to remain in the 50/50 section. Note that even if someone has elected for the 50/50 section just before the re-enrolment date, they will still need to be put back into the main section from the re-enrolment date.

For any member who goes on to zero pay because of sickness or injury, they should be re-enrolled into the main section of the scheme from the beginning of the next pay period following the date the member went onto nil pay.

Alternatively, they can elect to re-join the main scheme by downloading one of the forms below and sending a completed copy to their Payroll department.

1. [Standard PDF](#) - to print, complete and send.
2. [Editable PDF](#)\* - complete the form online, print, sign and send.

The employer should complete the information on page 4 and submit the form to us (address shown above).

## What you need to do upon receiving a change notification

Whenever a member changes between one section of the Scheme and another you need to:

- Make the appropriate adjustment to the employee's contributions on your payroll system
- Ensure that the figures on your monthly contribution or i-Connect return are adjusted accordingly to reflect the change.

At the end of each year, we will use the total accumulative figures for each member relating to the 50/50 section and main section to calculate the amount of pension accumulated.

## Further support

Email: [employer.engagement@eastsussex.gov.uk](mailto:employer.engagement@eastsussex.gov.uk)

This factsheet is one of a series put together by East Sussex Pension Fund to help support employers with processing key tasks.



**Employer Toolkit...**

Pointing you in the right direction

You can view the full employer toolkit at:

<https://www.eastsussexpensionfund.org/about-the-scheme/employers/employer-toolkit/>