



EMPLOYER FACTSHEET

The two sections

You should put members in the main scheme when they first join but they can move to the 50/50 section at any time, and although they can't choose to move to the 50/50 section before they join, it can be from their first pay date if they do it before you close your payroll.

Members can move between the main and 50/50 sections as often as they like, but each move will only take effect from the next available pay period. Tell us when a member moves to another section, and keep records for yourself.

For members who move between the sections in the same scheme year, keep a separate record of contributions and cumulative pensionable pay (CPP) in the two sections.

Members with more than one post can move between sections for any or all of their posts.

When you move your members to the 50/50 section you must tell them how it affects their pension benefits.

1. Contributions

Deduct the correct contribution rates shown in the table below.

Pay	Main section	50/50 section
Up to £17,600	5.5%	2.75%
£17,601 to £27,600	5.8%	2.9%
£27,601 to £44,900	6.5%	3.25%
£44,901 to £56,800	6.8%	3.4%
£56,801 to £79,700	8.5%	4.25%
£79,701 to £112,900	9.9%	4.95%
£112,901 to £133,100	10.5%	5.25%
£133,101 to £199,700	11.4%	5.7%
More than £199,701	12.5%	6.25%

Note: Your employer contributions remain the **normal full** contribution rate in **both** sections.

2. What if a member dies or retires because of ill health while in the 50/50 section?

If a member dies in service or retires with a tier 1 or tier 2 ill-health pension while they are in the 50/50 section, the lump sum death grant (for death in service) and the ill-health enhancement (for ill-health retirement) are the same as for a member in the main section of the scheme. Any survivor benefits payable following the member's death are not affected by the member being in the 50/50 section.

3. What if a member goes onto no pay?

If a member goes onto no pay because of sickness, injury, ordinary maternity leave, ordinary adoption leave or paternity leave you should move them back into the main section from the beginning of the next pay period if they are still on no pay at that time. If the member receives pay for this period – if they return to work half way through the period for example – they'll be able to move straight back to the 50/50 section, and if they do it before you close your payroll they'll have continuous 50/50 membership.

4. How does auto-enrolment affect members on 50/50?

If the employee is in the 50/50 section they must be moved back to the main section from the beginning of the pay period following your 'automatic re-enrolment date'. This would happen irrespective of what category of worker they are for the purposes of the Pensions Act 2008. The member will have the right to make a further 50/50 election which, if made before the payroll is closed, would mean the member has continuous 50/50 membership.

5. How does moving between sections affect a member who is paying additional contributions?

What happens depends on which type of additional contributions the member is paying.

Type	What happens if member moves to the 50/50 section?
Additional pension contribution (APC) covering absence (including strike)	Flat-rate contributions continue in full
APC / Shared cost (SCAPC) not covering absence (including strike)	Contract and contributions stop
Additional regular contribution (ARC)	Flat-rate contributions continue in full
Additional voluntary contribution (AVC) / Shared cost (SCAVC)	Flat rate or % contributions continue in full
Pre-72 membership	% contributions (based on 2008 scheme definition of pay) continue in full

Buying extra membership	% contributions (based on 2008 scheme definition of pay) continue in full
Additional survivor benefit contribution (ASBC)	% contributions (based on 2008 scheme definition of pay) continue in full

6. Can a member in the 50/50 section pay additional contributions?

A member in the 50/50 section **cannot** commence payment of an APC contract which is at whole cost to the employee (unless it is to purchase an amount of pension 'lost' due to a trade dispute or due to a period of authorised leave of absence, a period of unpaid additional maternity or adoption leave or unpaid shared parental leave, or unpaid parental bereavement leave where the member is paying the full cost of the APC).

A member in the 50/50 section can commence payment of a SCAPC contract only if such a contribution is to purchase an amount of pension 'lost' during a period of authorised unpaid leave of absence or during a period of unpaid additional maternity, additional adoption leave or unpaid shared parental leave or unpaid parental bereavement leave and can commence payment of an AVC or Shared Cost AVC contract.

Note: if the member moves back to the main section of the scheme, their additional contributions continue until the contract ends or they decide to stop paying.