

The background of the slide is a landscape photograph. The top half shows a clear blue sky above a distant horizon line where a row of wind turbines is visible. The bottom half shows a dark, semi-transparent overlay containing the title text, with a lighter, more detailed landscape of rolling green hills and a stream visible underneath. In the foreground, there are some brown, leafless branches.

# Local Government Pension Scheme Changing Your Working Arrangements April 2025

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## Introduction

If you change your working arrangements, it may affect the value of your pension benefits in the Local Government Pension Scheme (LGPS). A change in working arrangements could be if you decide to work less hours or take a lower paid job.

## How will your pension be affected if you change your hours?

From 1<sup>st</sup> April 2014, your annual pension in the Career Average Revalued Earnings (CARE) scheme is based on:

- the actual pensionable pay that you have received during the scheme year (1<sup>st</sup> April to 31<sup>st</sup> March), and
- 1/49<sup>th</sup> build up rate (or 1/98<sup>th</sup> build up rate if you are in the 50:50 section)

The higher your actual pensionable pay is, the more pension you will build up during the scheme year. If you choose to work less hours, your actual pensionable pay will be less. This means your pension build up will be less.

If you started to pay LGPS contributions on or before 31<sup>st</sup> March 2014, this was when LGPS was a final salary pension scheme. Any current change in your working hours will **not** affect the pension that you have built up to 31<sup>st</sup> March 2014. This is because your pension up to 31<sup>st</sup> March 2014 is based on your final full-time equivalent pensionable pay (excluding any non-contractual overtime). So even if you work part-time, it is your full-time equivalent pay that is used to calculate this part of your pension.

## Example

Emily currently works full-time and pays LGPS contributions in the main section (1/49<sup>th</sup>). She is thinking about reducing her working hours to 29.60 per week (four days a week). Her current full-time salary is £24,000, which would then reduce to £19,200 if she decreases her hours. If this were to happen, Emily's pension build-up would be affected as follows:

### **CARE pension credited during the scheme year as a full-time member:**

$$1 \div 49 \times £24,000 = £489.80 \text{ annual pension}$$

### **CARE pension credited during the scheme year if working 29.60 hours per week (four days a week). (29.60 hours ÷ 37.00 hours x £24,000 = £19,200):**

$$1 \div 49 \times £19,200 = £391.84 \text{ annual pension}$$

£489.80 - £391.84 = £97.96 difference in annual pension build up for scheme year under the CARE Scheme.

## What happens if your pay is reduced or restricted?

If you started to pay LGPS contributions on or before 31<sup>st</sup> March 2014, you will have the option to have your final salary pension calculated on:

- The best of the last three years, when a year is the 365 days up to your leave date. So, for this example, if the leave date was 31<sup>st</sup> August 2024, the best 365 days from:
  - 1<sup>st</sup> September 2023 to 31<sup>st</sup> August 2024
  - 1<sup>st</sup> September 2022 to 31<sup>st</sup> August 2023
  - 1<sup>st</sup> September 2021 to 31<sup>st</sup> August 2022
- In some situations, you can ask your employer to work out your final pay as the average of any three consecutive years ending on 31<sup>st</sup> March. You will normally have this option if your pay reduces:
  - after you move to a job with less responsibility (except flexible retirement or the end of a secondment)
  - following a job evaluation exercise or equal pay exercise
  - because the pensionable pay specified in your contract changes
  - less than 10 years before you stop paying pension contributions

However, the pension that you build up from 1<sup>st</sup> April 2014 under the CARE scheme will be less because of any reduction or restriction in your pensionable pay.

## What happens if you choose to take a lower paid job?

The pension that you have built up in your old job will be automatically combined with your new job, unless you choose to keep separate pension records. You have 12 months from the job change to make this decision.

If you move to a lower paid job, you will build up less pension from the day that you start your new job. This is because your pension build-up after the job change will be based on your new pensionable pay. It will also have an effect on any possible ill health enhancement your employer may give to you and any one-off grant payable following your death.

## What other benefits will be affected?

If you retire because of permanent ill health, you may receive an enhancement on your pension depending on how ill you are. This enhancement is based on your Assumed Pensionable Pay (APP).

APP is an average of the pensionable pay you received within the three complete months (or 12 weeks if weekly paid) before your date of leaving; uprated and shown as an annual amount.

By voluntarily reducing your working hours, any ill health enhancement will be proportionately less as a result. For further information about the ill health process, please read the Ill Health Retirement factsheet in the **forms and resources section** of our website.

If you die in service and you were still paying LGPS contributions, a one-off grant of three times your assumed pensionable pay is paid following your death. Usually, the death grant

will be paid to the beneficiaries you have named on your form, unless the form is no longer up to date or your next of kin dispute who the beneficiaries should be. The Clwyd Pension Fund has the discretion to decide who the death grant should be paid to.

If you work part-time, your APP will be proportionately less, which means your death grant will also be less. If you wish to increase your life cover, please contact the Clwyd Pension Fund.

## Where can you find more information?

This factsheet gives general guidance only. If you need more information, please contact the Clwyd Pension Fund:

**Phone:** 01352 702950 / 01352 702940 / 01352 702880

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

**Address:** Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

**Website:** <https://mss.clwydpensionfund.org.uk>

## Disclaimer

The Clwyd 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>

**MoneyHelper:**

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>



[mss.clwydpensionfund.org.uk](https://mss.clwydpensionfund.org.uk)

**Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF**

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