

# **LGPS Pension – Simple Guide (FAQs)**

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## **1. What type of pension is LGPS?**

The Local Government Pension Scheme (LGPS) is a defined benefit pension.

This means:

- Your benefits will be based on the calculations outlined in the scheme rules
- Your pension is normally guaranteed for life and is reviewed each year in line with price rises
- It is not based on a pot of money or how much you or Liverpool Hope University has paid in

## 2. What do I pay into the pension?

You pay a percentage of your salary each month.

- The [contribution bands](#) are set by the Local Government Pension Scheme rules, not by Liverpool Hope University
- Your employer does not decide or change your contribution rate
- Your rate is based on your salary and set within national LGPS bands
- Your contribution will only change if you enter a different national LGPS bands
- The bands are updated and controlled by LGPS. The up to date bands can be viewed on the [GMPF website](#)

## 3. How am I opted into the pension?

- Eligible employees are automatically enrolled into the Greater Manchester Pension Fund (GMPF) in line with auto-enrolment legislation
- If you choose to opt out and follow the relevant process, you will be removed from the scheme, and pension contributions will stop
- Under statutory requirements, the organisation must carry out re-enrolment every three years. At that point, any eligible employees who are not active members of the pension scheme will be automatically re-enrolled
- If you have previously opted out, you do not need to wait for the next re-enrolment date to rejoin. You can opt back into the scheme at any time by contacting payroll or HR, and your membership will be reinstated from your chosen date

## 4. What does the employer currently pay (2026)?

Liverpool Hope University contributes to the pension fund.

- This has recently changed from 19.1% to 5.1% This percentage is set by the pension fund actuary, not by Liverpool Hope University
- It reflects the overall health of the pension fund and investments, it does not impact individual employees
- This change does not reduce or change your pension benefits in any way

## 5. What is the 50/50 option?

- The 50/50 option is a flexible arrangement within the Local Government Pension Scheme (LGPS)

- It allows you to pay half your normal pension contributions in exchange for building up half the usual pension benefits during that period
- This option is designed to support employees who may be experiencing financial pressure but still wish to remain in the pension scheme rather than opting out completely
- You still receive full life assurance cover
- You can return to the full contribution section at any time
- Liverpool Hope University may periodically review members in the 50/50 section to ensure it remains appropriate
- Liverpool Hope University cannot provide individual financial or pension advice. The University can only provide factual information about the scheme. If you require guidance on whether the 50/50 option is suitable for your personal circumstances, you should seek independent financial advice

## **6. Does the reduction in employer contributions affect me?**

No. There is no impact on your pension.

Because LGPS is a defined benefit scheme:

- Your pension is calculated using a [set formula](#)
- It is not affected by how much the employer pays in

## **7. Can I set up an account with GMPF and why is this useful?**

Yes, you can set up an online account with the Greater Manchester Pension Fund (GMPF), and it is strongly recommended that you do so. Creating an account allows you to:

- View your pension benefits and estimates
- Track your contributions and membership details
- Update your personal information
- Access important documents and scheme communications
- Stay informed about your pension and supports better financial planning for your future

You can set up an account on the [GMPF website](#).

## **8. Why has the employer contribution reduced?**

Employer contribution rates are set by pension fund actuaries, not Liverpool Hope University.

They review:

- Investment performance
- Life expectancy
- The overall financial position of the pension fund

If the fund is performing well, employers may be required to pay less.

## **9. Who decides how the pension money is invested?**

Investment decisions are not made by Liverpool Hope University. They are made by the pension fund, in your case, Greater Manchester Pension Fund supported by:

- Professional investment managers
- Pension committees
- Independent advisors

## **10. What happens to the contributions?**

All contributions (yours and the employer's) are:

- Paid into the pension fund
- Pooled with contributions from other members and employers
- Invested in things like shares, property, and infrastructure

## **11. Does the employer control the investments?**

No.

- The employer cannot choose or change investments
- They cannot access pension funds
- Their role is only to pay contributions into the scheme

## **12. Does investment performance affect my pension?**

No, not directly. Because LGPS is a defined benefit scheme:

- Your pension is based on pay and service
- It does not depend on investment returns

### **13. Can employer contributions change again?**

Yes.

- Contribution rates are reviewed regularly by the pension fund
- They may increase or decrease depending on the pension fund's position

### **14. Is my pension safe?**

LGPS is:

- A public sector pension scheme
- Designed to provide a secure and reliable income in retirement

To find out more about the pension fund please visit:

<https://www.gmpf.org.uk/members/joining/pensions-and-lgps>