

Suggested cost of living 'all staff' email, November 2022:

**Subject: Don't turn your back on your pension even for a moment without careful thought, because the consequences are considerable.**

<b>If stays in the LGPS</b>	<b>If goes 50/50</b>	<b>If opts out</b>
£10,204 more pension	£5,102 more pension	£0 more pension
Continues paying £1,300	'Saves' £650 in contributions	'Saves' £1,300 in contributions
Has £75,000 life cover	Has £75,000 life cover	Has £0 life cover
Has ill health protection	Has ill health protection	Has no ill health protection

**You might 'save' money in the short term...**

The table above shows a female full-time member of the LGPS on £25,000 could 'save' (£135.42 in gross contributions - £27.08 tax relief) \*12 = **£1,300 p.a.** by opting out or **£650 p.a.** by going [50/50](#).

**...But that could really damage your finances...**

The table above shows that, if our example member opted out, not only is she not covered for £75,000 death in service / prospective service on ill health retirement, but also her annual income at State Pension age would be reduced by £510.20 (that if multiplied by 20 for her expected longevity in retirement = **£10,204**) or by £255.10 if she went 50/50 (that if multiplied by 20 for her expected longevity in retirement = **£5,102**).

i.e. 'Saving' **£1,300** by opting out removes the death / ill health protection her family enjoys and **costs £10,204** (in pension she can expect not to no longer receive) that is 7.85 times the 'saving' of opting out.

i.e. 'Saving' **£510.20** by going 50/50 costs **£5,102** (in pension she can expect not to no longer receive) that is 10 times the 'saving'.

**The consequences of turning your back on your pension even for a moment without careful thought are considerable.**

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