



LGA Workforce event

An actuarial view of the gender
pensions gap

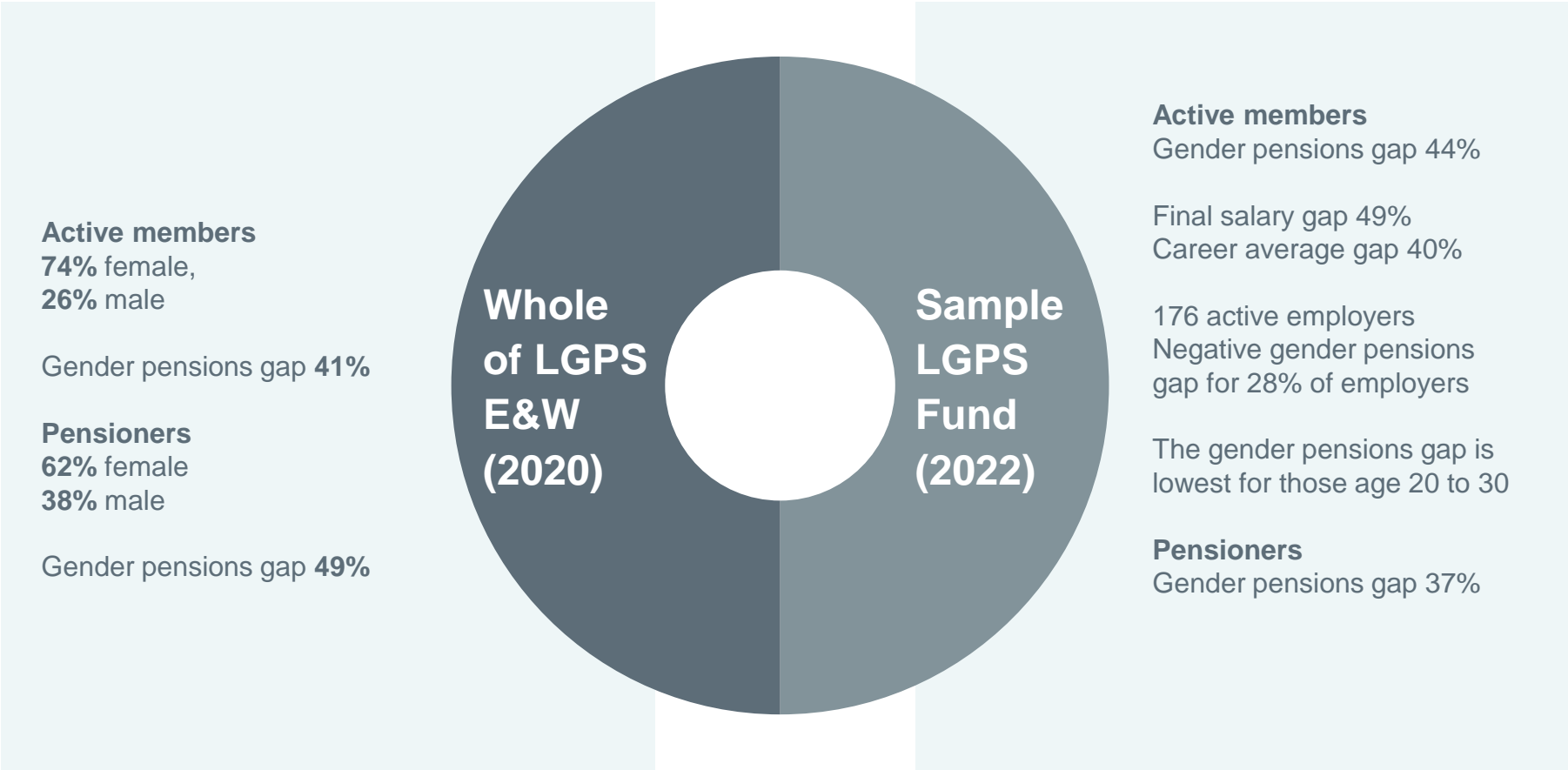
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Private & confidential

Sample LGPS Fund figures



Bridging the gap

Shared cost additional pension contributions

Age	Lost pay (£)	Lost pension (pa)	Lump sum cost to employer (£)	Lump sum cost to member (£)	Monthly cost to employer (£)	Monthly cost to member (£)
25	25,000	510	3,286	1,643	59	30
35	35,000	714	5,319	2,660	96	48
50	40,000	816	7,875	3,937	143	71



Key takeaway

At age **35** pay is **40%** higher than at **25** but the cost of lost pension is **62%** higher

At age **50** pay is **60%** higher than at **25** but the cost of lost pension is **140%** higher

The value of the LGPS



Part of the solution to the gender pensions gap is **getting more members to join early in their careers and stay in the fund**



31 March 2022 valuation:

Average employer cost of future service = **19.8%**

Average employee rate = **6.6%**



Key takeaway

On average, employers are paying three times more than members for the cost of building up benefits in the scheme.

Pensions and divorce

Example fund and example member

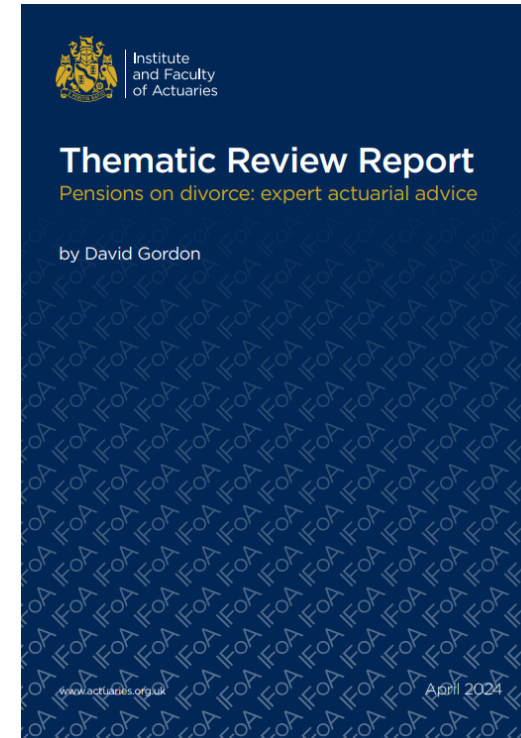
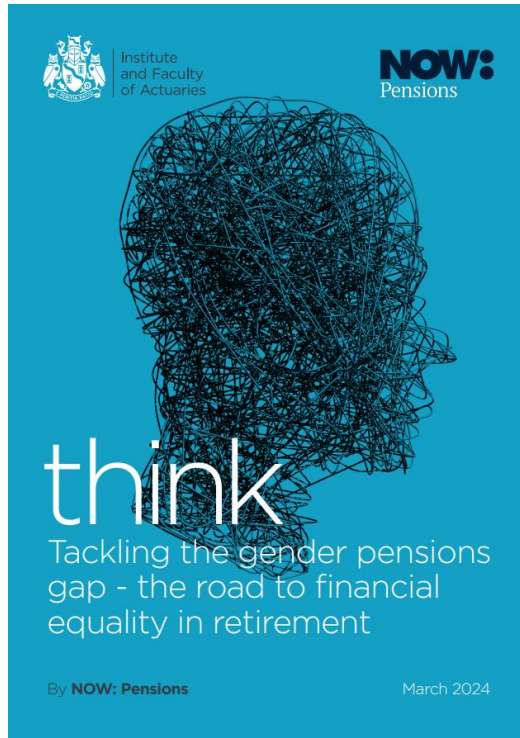
Transfer value	
Member age	45
Years of service	20
Final pay	£35k
Accrued pension	£12,957 per annum
Lump sum	£5,250
Transfer value	£187,227



Sample fund: The proportion of members who had shared their pension on divorce using a pension sharing order = 0.1% of the membership



What are the Actuarial Profession doing around the issue of the gender pensions gap?



Further information.

https://www.actuarialpost.co.uk/downloads/cat_1/IFoA-thematic-review-report-pensions-on-divorce-2024.pdf

<https://actuaries.org.uk/media/154dfc1y/tackling-the-gender-pensions-gap-the-road-to-financial-equality-in-retirement.pdf>



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