CAMBRIDGESHIRE PENSION FUND

To:	Pension Fund Committee
Meeting date:	30 September 2025
Report by:	Madalina Bratec Governance Specialist madalina.bratec@westnorthants.gov.uk
Subject:	Gender Pensions Gap
Purpose of the report:	To present the Pension Committee with information regarding the Cambridgeshire Pension Fund Gender Pensions Gap.
Recommendations:	The Pension Fund Committee is asked to note the contents of the report.

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1. Background

1.1 In recent years, there has been growing attention on workplace equality, particularly regarding the Gender Pay Gap. This has led to increased interest in the gender pensions gap, which refers to the disparity in retirement income or wealth between men and women.

1.2 A report by NOW:Pensions and the Pensions Policy Institute revealed that women, on average, retire with £69,000 in pension savings, compared to £205,000 for men. Additionally, 67% of pensioners in poverty are women, and women would need to work full-time for an extra 19 years to match men's pension savings.

1.3 The LGPS is one of the largest pension schemes in the UK, with around 6.7 million members (as at 31 March 2024), and around 74% of these members are female. In the Cambridgeshire Pension Fund, 77% of members are female.

1.4 In the context of the LGPS, The Government Actuary's Department (GAD) found significant pension pay discrepancies between the benefits currently being built up by male and female members. The difference is roughly 35% for benefits in the CARE scheme, and roughly 46% for benefits in the final salary scheme. Research suggests that the main factors for these discrepancies seem to be:

- The gender pay gap (as pension is linked to earnings)
- Part-time vs. full-time working (as pension is linked to service)
- Career breaks (as this affects service)

1.5 Hymans Robertson, governance advisors to the Fund, have helped analyse the Gender pensions gap within the Cambridgeshire Pension Fund, based on membership data as of 31 March 2024. This analysis aims to quantify the disparities in pension outcomes between men and women and identify the underlying causes.

1.6 The analysis uses pension amount instead of pension wealth. Wealth reflects differences in life expectancy and would be more appropriate if measuring the difference between defined contribution retirement pots. However, the LGPS is a defined benefit scheme and the benefit granted is independent of gender and expected life expectancy. Therefore, for this scheme, pension amount is a more appropriate measure for analysing the gender pensions gap.

2. Executive summary

2.1 This report provides an overview of the gender pensions gap within the Cambridgeshire Pension Fund, based on membership data as at 31 March 2024. The analysis identifies a significant disparity in pension outcomes, with female members receiving, on average, 46% of the pension income paid to male members.

2.2 The gap is evident across all age groups and is primarily driven by lower average salaries among female members, particularly from age 31 onwards. Women are also more likely to work part-time and take career breaks, both of which reduce pensionable service and overall benefit accrual.

2.3 To address these disparities, a combination of employer-led and fund-level actions can be considered. These include reviewing pay structures, promoting flexible working arrangements, and educating members on the long-term pension impacts of career choices and life events. The Fund also proposes annual reporting on the gender pensions gap and supports national reforms under the Access and Fairness consultation to improve

pension equity and outcomes for all members.

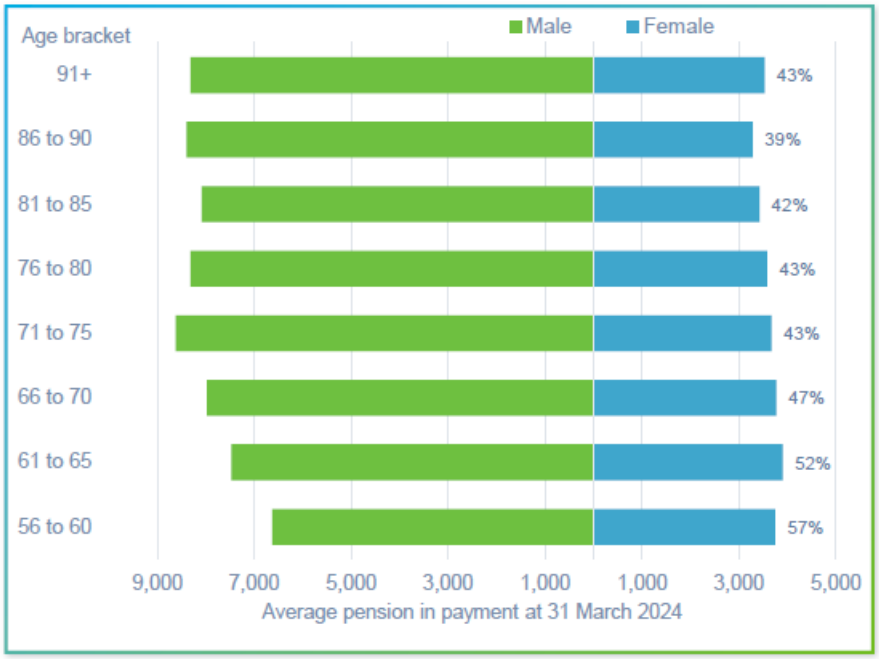
3. Issues and choices

Analysis of the Fund's data

3.1 Based on the Fund's data, for every £1 of pension paid to male scheme members, 46p is paid to female scheme members. This is clear evidence of a gender pay gap.

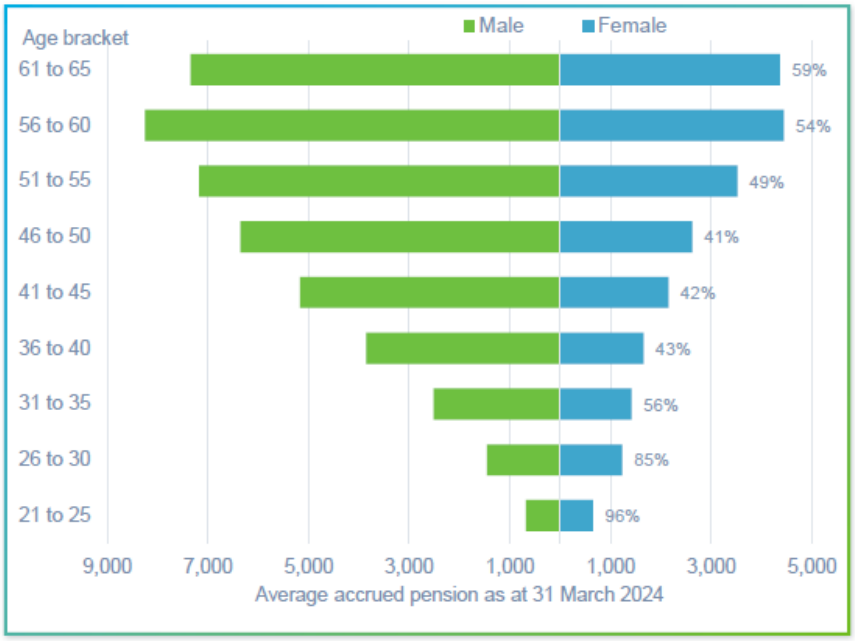
3.2 The analysis conducted on the Fund's pensioners shows that female pensions are consistently lower than male pensions across all age brackets. Table 1 shows that depending on age, the average female pension in payment is between 39% and 57% of that received by their male counterparts. The highest discrepancies impact members between ages 81 and 90 but remain higher than desired across all age brackets.

Table 1. Average pension in payment as at 31 March 2024



3.3 Table 2 shows the average accrued pension for active members in 5-year age brackets and split by gender. The pyramid shape of the chart is to be expected. Younger members will have a shorter service history so have accrued less benefits to date than older members. The chart shows that even for younger members, despite changes in household working behaviours in recent decades, a gender pensions gap still exists. The largest gap is in the 46-51 age bracket where female members have accrued an average pension of just 41% of that accrued by male counterparts.

Table 2.Average accrued pension as at 31 March 2024



Possible causes of the Gender Pensions Gap

Salary

3.4 As LGPS benefits are directly linked to salary, any difference in salary between genders causes a difference in pension.

3.5 For example, for ages 31 and above, on average female members of the Fund are paid between 78-87% of males within the same age bracket. This compares with the average gender pension gap for the UK which sits at around 14%.

3.6 An interesting pattern in the analysis is that there is very little difference in FTE pay between genders up to age 30. Thereafter, the gap starts to widen. Table 3 shows the average FTE salary by age bracket.

Table 3 Average FTE salary as at 31 March 2024

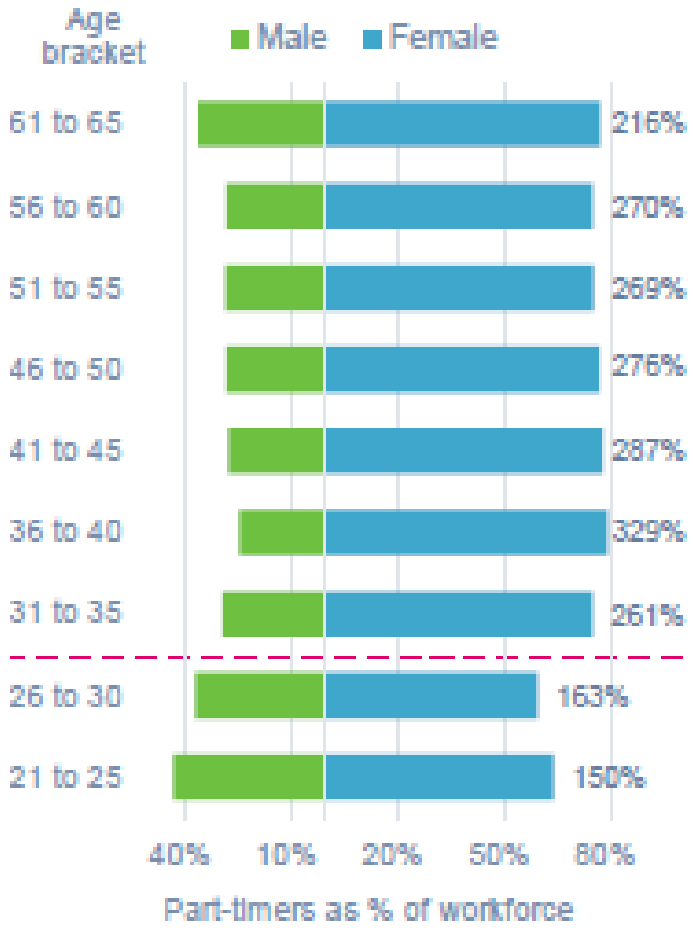
Service

3.7 Table 4 illustrates the proportion of part-time workers within the workforce across various age brackets, segmented by gender. As highlighted, females consistently have higher part-time participation rates than males across all age groups. For example, in the 61–65 age bracket, the % of workforce that are female part-time workers is 216% higher than the % of workforce that are male part-time workers. This pattern holds across younger age groups as well, though the gap is smaller.

3.8 As part-time workers will accrue less pensionable service and retirement benefit than full-time equivalents, this will be a big driver in the gender pension gap. There appears to be a big jump in the trend from age 31+.

3.9 As highlighted in a 2024 House of Commons Library report, other factors such as parental leave, carer leave, divorce and other life events can also negatively impact members service and further widen the gender pension gap.

Table 4. Percentage of part-time workers as percentage of the workforce



Conclusions

3.10 The analysis conducted highlighted the following conclusions:

- A gender pensions gap does exist in the fund with the gap being more prevalent at older ages but continues to exist at younger ages as well.
- The gender pay gap is a contributing factor.
- There is a significant difference in working patterns between genders, with females being more likely to be part-time workers – this results in less pension accrual.
- The pay and working pattern causes seem to appear from age 26-30 onwards.

Next Steps

3.11 The gender pensions gap is a systemic issue affecting the entire pensions landscape, not solely the LGPS. While comprehensive resolution will likely require intervention at the national policy level, local initiatives aimed at addressing disparities, particularly those impacting female members of the Cambridgeshire Pension Fund, are both valuable and encouraged.

3.12 Any local changes would need to be employer focused:

- Reviewing job roles and pay to ensure gender equality.
- Supporting return-to-work policies and flexible working.
- Enhancing shared parental leave.
- Educating staff on how life changes such as reduced hours, maternity leave, or divorces can affect pension.
- Informing new and part-time staff about their right to opt into the pension scheme.

3.13 In addition to the employer actions listed above, funds within the LGPS also have a role to play. The Access and Fairness consultation, launched in May 2025, encourages funds to consider multiple reform proposals aimed at addressing the issue of the gender pensions gap, the reforms include:

- equalising survivor benefits regardless of gender.
- improving transparency through gender pension gap reporting.
- reducing opt-out rates (especially among women).
- recognising the impact of career breaks.

3.14 Cambridgeshire Pension Fund can adopt a range of measures to address the gender pensions gap, including:

- engaging employers to review job roles and pay structures for gender equity, promote flexible working, and support return-to-work and shared parental leave policies.
- educating members, particularly women, on how career breaks, part-time work, and opting out of the scheme can impact pension outcomes.
- improving transparency by committing to annual reporting on the gender pension gap, using disaggregated data to monitor progress and inform interventions.
- encouraging participation by informing part-time and new staff of their right to opt into the scheme and exploring initiatives to reduce opt-out rates.
- supporting national reforms through active engagement with the Access and Fairness consultation, including proposals to equalise survivor benefits and recognise the impact of career breaks.

3.15 Once the Government's response to the consultation is published, the Fund will seek to implement measures accordingly.

4. Relevant Pension Fund objectives

4.1 To ensure compliance with the LGPS Regulations and other legislation and guidance, including the Pensions Regulator's Code of Practice.

4.2 To manage the Fund in a fair and equitable manner and be accountable to the Fund's stakeholders.

4.3 To administer the Fund in a professional, effective and cost-efficient manner, utilising technological solutions and collaboration.

4.4 To deliver clear, inclusive, accessible communications to stakeholders, including up-to-date information in order that informed decisions can be made.

4.5 To seek regular feedback from stakeholders and use that feedback to help shape Fund administration

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 There are no resources or financial implications arising from the proposals.

5.2 Legal

5.2.1 There are no legal implications arising from the proposals.

5.3 Risk management

5.3.1 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below –

Risk	Residual risk rating
Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.	Green
Failure to administer the scheme in line with regulations and guidance.	Green
Failure to provide relevant information to the Pension Fund Committee to enable informed decision making.	Green

5.3.2 The Fund's full risk register can be found on the Fund's website at the following link: Cambridgeshire Risk Register

5.4 Consultation

5.4.1 No consultation has been required arising from the proposals within this report.

5.5 Consultation with Key Advisers

5.5.1 Squire Patton Boggs conducted a review of the paper for legal implications with no material issues raised.

6. Background papers

6.1 None.

7. Appendices

7.1 None.