



# Gender Pensions Gap

2025 Report

# Introduction



Camden has a long-standing record of leadership on fair pay and equality, and we have consistently taken a visible stance on increasing pay transparency. Since 2015, Camden has voluntarily reported on the Council's gender, ethnicity, and disability pay gaps - going beyond statutory requirements and setting a standard few other organisations have matched.

As an employer, we are equally committed to highlighting inequalities in retirement outcomes. By publishing our gender pension gap, we aim to be transparent about where disparities exist in our pension fund and to take meaningful steps towards addressing them.

This is Camden's **second Gender Pension Gap Report**. In 2022, Camden became the **first local authority** to publish such a report. While Camden's gender pay gap is small and slightly favours women, we know that a gender pension gap exists within our fund. This gap reflects the legacy of historic pay inequality and the continuing differences in working patterns between genders.

It is vital to bring visibility to this issue. By reporting regularly, Camden will continue to raise awareness of the gender pension gap and drive progress towards greater equality in retirement.



# Commitment



We recognise that the gender pension gap is one of the most pressing challenges in achieving long-term financial fairness. Women and other underpensioned groups continue to face barriers to building secure retirement savings, including lower lifetime earnings, career breaks for caring responsibilities, and higher levels of part-time or insecure work.

We know that action is required. Camden is committed to:

- **Raising awareness** of the gender pension gap and its drivers among staff and managers.
- **Reviewing and improving pay and pension policies** to narrow the accrual gap and to support colleagues to consistently build retirement savings.
- **Supporting flexible and inclusive career pathways** to enable all colleagues - particularly women and carers - to build secure retirement savings.
- **Providing targeted guidance and education** to help colleagues make informed pension choices.
- **Monitoring and reporting progress regularly**, ensuring accountability and continuous improvement.

Through this work, Camden will continue to lead by example – using transparency, evidence, and action to help close the pension gap and build a fairer future for all our staff.



# London Borough of Camden Pension Fund

## Gender pensions gap analysis

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Use the menu bar above to navigate to each section.

# Contents

## In this report:

	Page
Background	<a href="#">3</a>
Gender pensions gap & the LGPS	<a href="#">5</a>
Fund-level analysis	<a href="#">7</a>
Causes of the gap	<a href="#">12</a>
Conclusions	<a href="#">18</a>
Next steps	<a href="#">20</a>
Reliances & limitations	<a href="#">22</a>

# Background

# What is the Gender Pensions Gap?

In recent years there has been increasing focus on ensuring equality at work. Most companies must now publish statistics on their Gender **Pay** Gap (the difference in average pay between males and females).

Following on from this, there has been increased focus and research conducted to better understand the Gender **Pensions** Gap (GPeG). A [report<sup>1</sup>](#) published for the Commons Library highlights that the GPeG can be measured in different ways; for example, it may be the difference between the retirement income of men and women (which would include private and state pension), or the difference in wealth in retirement (which would suggest the inclusion of other assets, such as property). The Government [introduced<sup>2</sup>](#) a measurement in June 2023 for private sector pensions.

A publication by [NOW:Pensions<sup>3</sup>](#), in conjunction with the Pensions Policy Institute, highlighted that, on average, women retire with pension savings of £69,000, whilst men at a similar age have pensions savings of £205,000. In addition, it also states that 67% of pensioners in poverty are women and that women would need to work full time for an extra 19 years to retire with the same pension as men.

<sup>1</sup><https://researchbriefings.files.parliament.uk/documents/CBP-9517/CBP-9517.pdf>

<sup>2</sup><https://www.gov.uk/government/statistics/gender-pensions-gap-in-private-pensions/the-gender-pensions-gap-in-private-pensions#main-stories>

<sup>3</sup>[www.nowpensions.com/about-us/fairpensionsforall/gender-pensions-gap](http://www.nowpensions.com/about-us/fairpensionsforall/gender-pensions-gap)



# Gender pensions gap & the LGPS

# Is the Gender Pensions Gap an issue in the LGPS?

As one of the largest pension schemes in the UK (with around 6.3 million members), the LGPS provides a valuable benefit to many people.

Around 74% of these members are female (the figure is around 64% in your fund). With such a large proportion of members being female, and the public sector nature of participating employers, people may expect the gender pensions gap to be less of an issue in the LGPS.

However, a [report](#) issued by GAD analysing LGPS data in England and Wales identified a substantial difference 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.

It is difficult to pinpoint the exact causes of the gap, but the main factors seem



Gender pay gap (pension is linked to earnings)



Part-time vs. full-time working (pension is linked to service)



Career breaks (again, this affects service)

To better understand the issue, analysis is required. As agreed with the fund, we have used the fund's membership data provided as at 31 March 2024 and investigated the difference in the average annual pension amount between gender across 5-year age bands.

Note we are using 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 life expectancy. Therefore, for this scheme, pension amount is a more appropriate measure for analysing the gender pensions gap.

The results of our analysis, as well as a comparison with your results from the previous gender pension gap analysis report dated 19 May 2023, are set out on the next pages.

# Fund-level analysis

# Analysis of your data: current pensioners

Using the 2024 data provided, we have calculated the average pension for 5-year age brackets and split by gender. We have compared this to the results shown in your previous gender pension gap analysis report dated 2 February 2023 which used 2022 data.

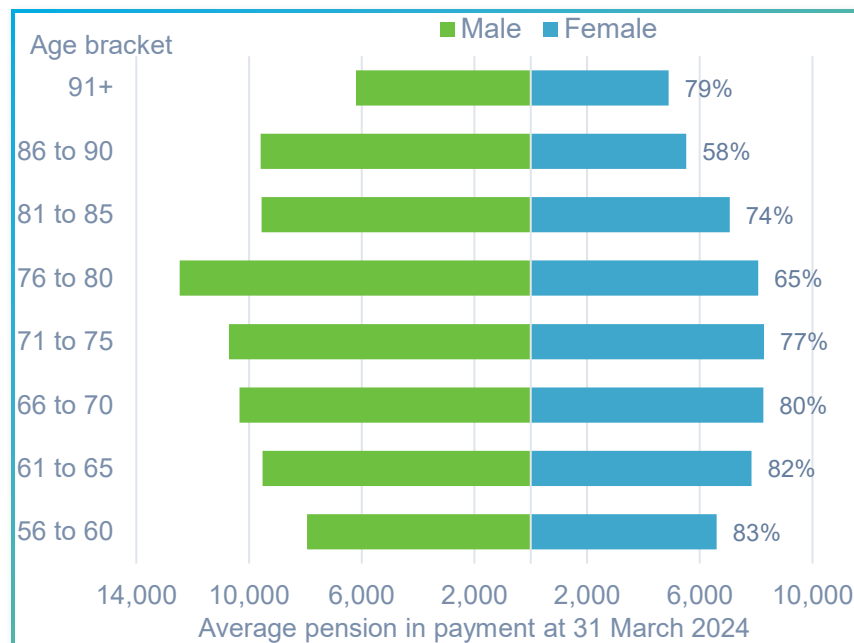
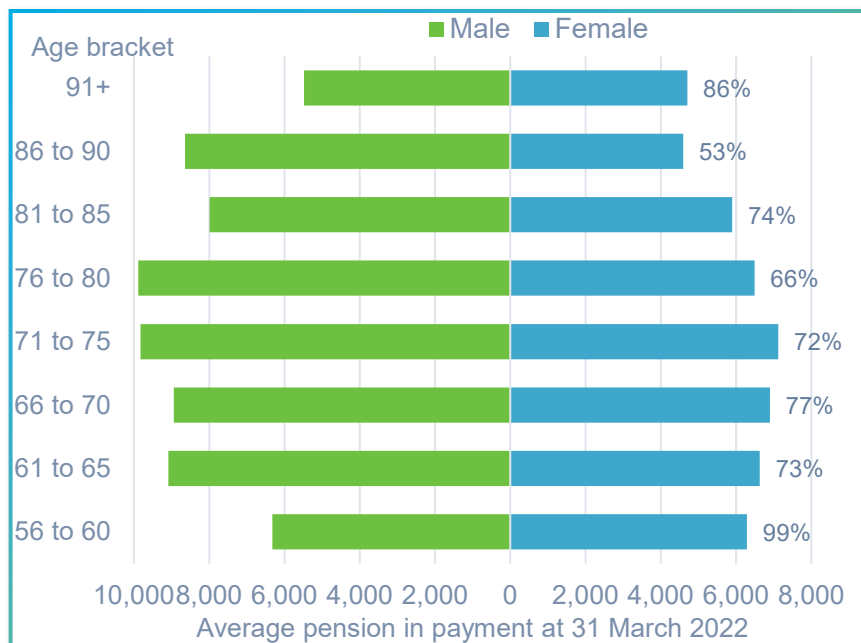
The chart on the next slide shows that, on average, for every £1 of pension paid to males, females are receiving around **75p** (noted by the percentages). Note that in calculating this figure, any members with more than one record have been merged. This approach was not adopted when calculating the figure based on 2022 data. If we keep a consistent approach, the figure we arrive at based on 2024 data is 73p. This compares to **75p** using the 2022 data. This shows there still is clear evidence of a gender pensions gap however the gap has remained consistent over the two-year period.

For older members, as considered here, this difference may not be surprising when considering the societal structures in place as these benefits were being accrued. However, the trend is still evident at younger ages, e.g. 61 to 65, when changes to these structures were taking place.

To understand if the gender pensions gap is a timing issue, we have carried out the same analysis for active members (as shown on pages 10 and 11).

*Note that the figures for ages 56 to 60 may be skewed or subject to some bias. For example, pensioners in this age bracket are likely to have retired early due to affluence or a long service history. Therefore, some of the factors such as salary, or part time working, that contribute to the pensions gap may not be relevant for this group. Similarly at age 90+, the dynamic of dependant pensions is likely to skew the analysis.*

# Analysis of your data: current pensioners



# Analysis of your data: active members

Again, using the 2024 data provided, we have calculated the average accrued pension for active members in 5-year age brackets and split by gender and compared this to the 2022 data for comparison.

The chart on the next slide shows there has not been a material difference in the data over the two-year period.

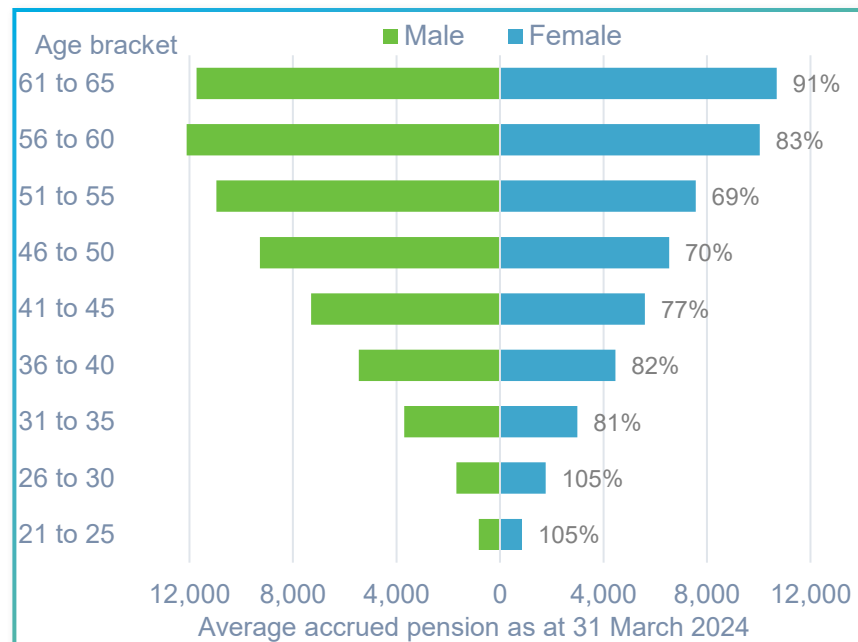
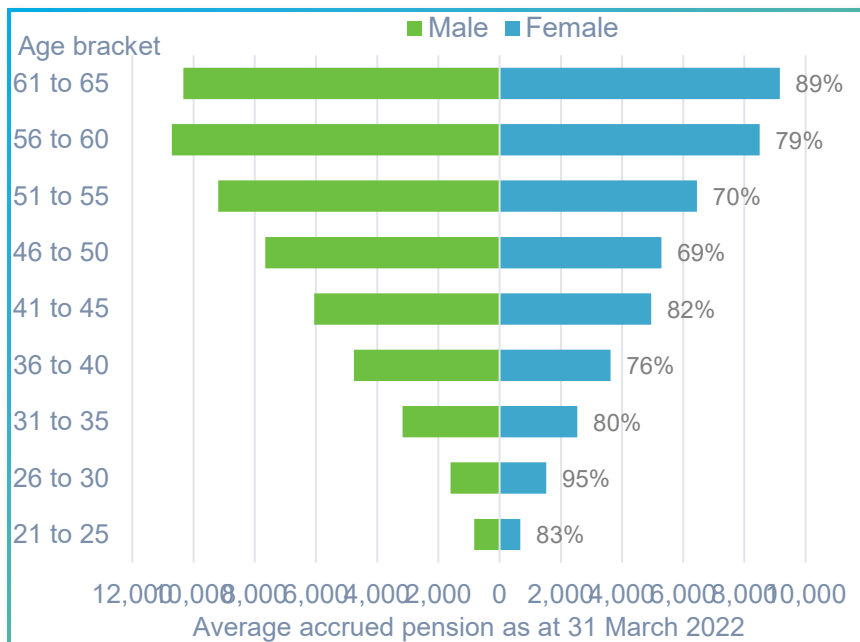
The pyramid shape of the chart is to be expected. Younger members will have a shorter service history so have accrued less benefits to date than older members.

It shows that even for younger members, despite changes in household working behaviours, a gender pensions gap still exists. For younger members, the gap is less pronounced, a pattern we have seen in other LGPS funds.

This analysis has focussed on the output (pension). To better understand the issue, particularly the potential causes, we have reviewed the inputs – salary and service (as shown on pages 13 -16).

*Note that the figures for age 61 to 65 may be skewed or subject to some bias. For example, many members in this age bracket will have already retired. Those who remain as actives may do so as they aren't yet eligible to retire as a result of retirement age rules. These members will likely have similar service and job history and so the differences which affect younger age brackets are less present.*

# Analysis of your data: active members



# Causes of the gap

# Possible causes of the gender pensions gap: salary

The charts on the next slide consider the average full-time equivalent (FTE) salary of active members of the fund as at 31 March 2024, and at 31 March 2022.

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

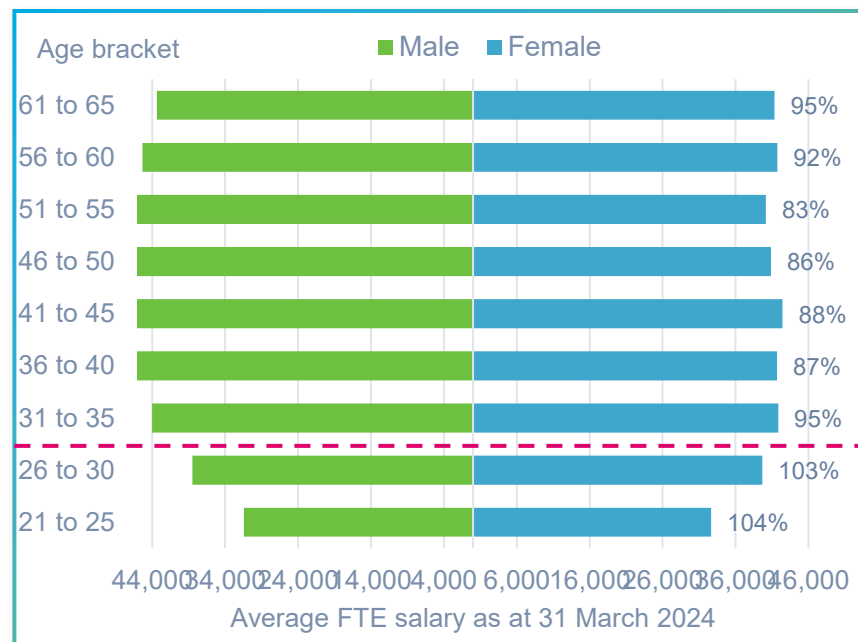
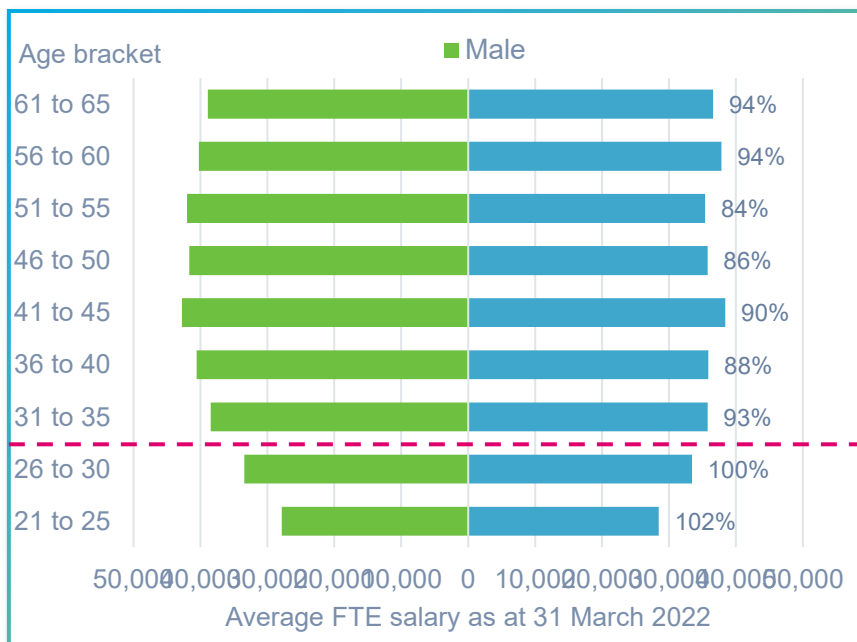
Looking at the percentages on the chart, we can see that on average females are paid 83-104% of males within the same age bracket (note this doesn't allow for differences in roles etc) compared to 84-102% from 2022 data. This compares with the average gender pay gap for the UK which sits at around 14%<sup>1</sup>.

This difference will be a contributing factor to the gender pensions gap already observed.

An interesting pattern in the analysis is that there is virtually no difference in FTE pay between genders up to age 30. Thereafter, the gap starts to widen.

<sup>1</sup><https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2023>

# Possible causes of the gender pensions gap: salary



# Possible causes of the gender pensions gap: service

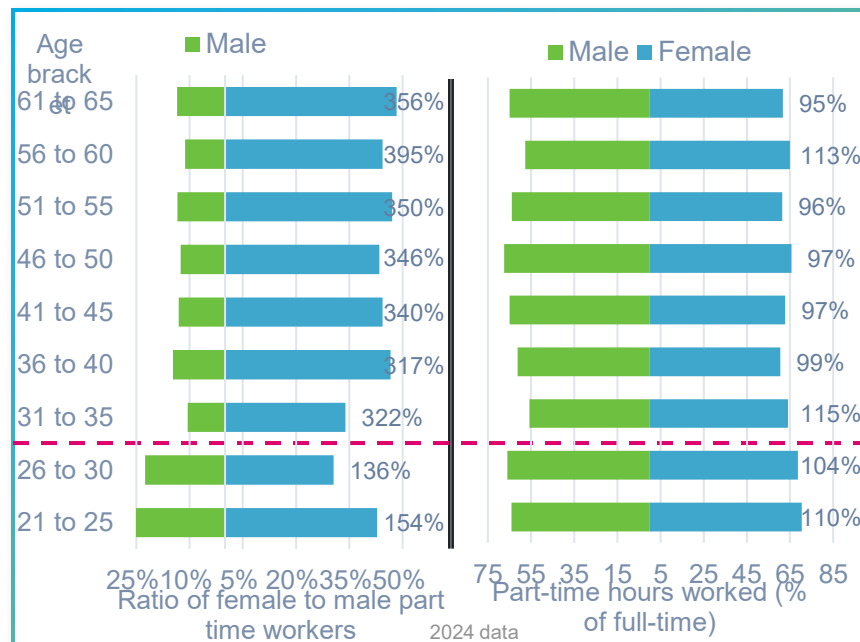
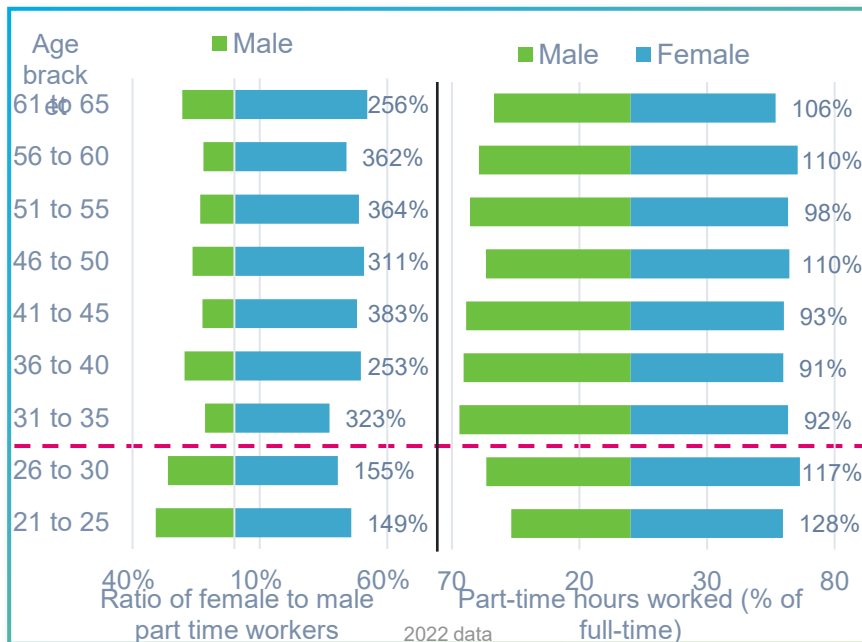
The charts on the next slide look at how working patterns, which affect service, and the amount of benefit accrued, vary between genders. We have shown the results for both the 2022 and 2024 data.

For each data set, the charts to the left analyse the percentage of the workforce in each bracket that are part-time workers. The charts on the right analyse the average number of hours worked (as a percentage of full-time hours) by those part-time workers. In both cases, the percentages show the ratio of females to males in each bracket.

The following is noted:

- A much greater percentage of the female workforce are part-time workers than males. The differences are stark. 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. Again, there is a big jump in the trend from age 31+.
- There doesn't appear to be any significant difference between the average hours worked by part-time males vs part-time females. This would suggest this factor is unlikely to be a material contributing cause to the gender pensions gap.

# Possible causes of the gender pensions gap: service



# Summary of comparison between 2022 and 2024

The table on the right summarises the comparison between the analysis based on 2024 data and the previous analysis based on 2022 data.

As can be seen, the Gender Pension Gap has remained the same over the period with female staff receiving, on average, around **75p** for every £1 of pension paid to males..

There has been no improvement in the Gender Salary Gap. Females are paid 83-104% of males within the same age bracket (note this doesn't allow for differences in roles etc.) compared to 84-102% from 2022 data.

A much greater percentage of the female workforce are part-time workers than males which will be a big driver in the gender pension gap.

Gender Pension Gap Analysis		
	Previous issued analysis	Current analysis
Date of membership data	31 March 2022	31 March 2024
Gender Pensions Gap	75p	75p (based on merged records) 73p (based on methodology used at 2022)
Gender Salary Gap	84% – 102%	83% – 104%
Ratio of female to male part-time workers	149% – 383%	136% – 395%
Proportion of Females in data	63%	64%

# Conclusions

# Conclusions from the analysis



## A gender pension gap does exist in the fund

The analysis shows that gap is prevalent at older ages but even exists at younger ages



## The gender pay gap is a contributing factor

Whilst the pay gap is lower than the national average at some ages, the difference will be a contributing factor to the pensions gap



## There is a significant difference in working patterns between genders

Females are much more likely to be part-time workers which results in them accruing less pension



## The working pattern causes seem to appear from age 30 onwards

We don't have the data to investigate the cause of this trend, but the [Office for National statistics](https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/bulletins/birthcharacteristicsinenglandandwales/2022)<sup>1</sup> states age 30.9 as the average age of mothers who give birth. Does this single event then lead to females being more likely to earn less and work part-time than male equivalents? If this is the case, what can be done to recognise this and ensure retirement equality?

<sup>1</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/bulletins/birthcharacteristicsinenglandandwales/2022>

# Next steps

# Next steps

The gender pensions gap is not an issue confined solely to the LGPS. Research shows it existing across the whole pension landscape.

To fully address the gap, and some of its contributing factors, it is likely national level action and changes will be required. We believe that the LGPS, as a scheme with around 4 million female members, is in a prime position to be a leader in this debate.

There are also some actions that could be taken at local level, albeit employer driven, such as:

- Reviewing job profiles and pay scales to ensure there is genuine equality across the full spectrum (this would also help address the gender pay gap).
- Checking that back-to-work policies, including flexible working, fully support and encourage people who have taken career breaks back into the workplace.
- Introducing or enhancing shared parental leave policies.

- Educating employees about implications for their pension any time there is a life point change that may have financial consequences (e.g. reducing hours, getting divorced, promotion etc). Employees can then make informed choices about whether to top up their pension or not.
- Letting new joiners and part-time workers know that they can opt-in to the pension scheme, even if they do not meet the qualifying criteria

If you want further information on this topic, particularly around what could be done to reduce the gender pensions gap, please watch the recording of our [webinar<sup>1</sup>](https://www.hymans.co.uk/insights/webinars/a-spotlight-on-the-gender-pensions-gap-in-the-lgps/). The guest presenter was Lauren Wilkinson from the Pensions Policy Institute.

<sup>1</sup> <https://www.hymans.co.uk/insights/webinars/a-spotlight-on-the-gender-pensions-gap-in-the-lgps/>

# Reliances & limitations

# Reliances and limitations

We have been commissioned by the London Borough of Camden ('the Administering Authority') to carry out analysis of the London Borough of Camden Pension Fund membership data to explore if there is a gender pensions gap.

This report is addressed to the Administering Authority. It has been prepared by us as actuaries to the Fund and is solely for the purpose of summarising the outcomes of our analysis and high-level discussion on the gender pensions gap. It has not been prepared for any other third party or for any other purpose. We make no representation or warranties to any third party as to the accuracy or completeness of this report, no reliance should be placed on this report by any third party and we accept no responsibility or liability to any third party in respect of it.

Where we have expressed an opinion on the potential cause of the gender pension gap or possible resolution it should be treated only as that. This is a complex area with various factors and underlying issues.

The analysis is based on the membership data that has been submitted by the Fund as at 31 March 2022 and 31 March 2024.

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- TAS100 v2.0 – Principles for general actuarial standards

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