

Local Government Pension Scheme (LGPS)

Leave of Absence

There may be occasions when you are absent from work and you don't pay your local government pension scheme contributions. The absence could be because of the following (each has a direct effect on the pension you build up in the LGPS):

- You have a period of unpaid sick leave
- Your employer grants you an authorised leave of absence
- You take industrial action (strike)
- You are called on Reserve Forces leave
- You are called on Jury Service

Sick Leave

If you are off work due to sickness or injury and your contractual pay is reduced or you don't receive any pay then the pensionable pay figure used to work out your pension for this period is your assumed pensionable pay. Using your assumed pensionable pay, rather than the amount of pensionable pay you actually receive when on sick leave, means that you will continue to build up a pension in the section of the LGPS you are in, as if you were working normally and receiving pay.

You will continue to pay your basic LGPS contributions on any pay that you receive while you are off sick (before any reduction on account of Statutory Sick Pay or Incapacity Benefit). If you are on unpaid sick leave, you will not pay any contributions.

If you are in the 50/50 section and go onto unpaid sick leave, you will automatically be moved to the main section of the scheme from the beginning of the next pay period if you are still on no pay at that time. This means from that point forward you will build up full pension benefits in the LGPS even though you are not paying pension contributions.

Authorised Leave of Absence (Unpaid)

If you are granted unpaid leave of absence, including jury service and parental leave, the period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of absence. The amount of pension lost is calculated as the appropriate fraction of your assumed pensionable pay for that period of absence (i.e. 1/49th of your assumed pensionable pay if you were in the main section of the scheme or 1/98th if you were in the 50/50 section).

If you wish to purchase the amount of lost pension and make the election within 30 days of returning to work then the cost of the APC is split between you and your employer. You will pay one-third of the cost and your employer will pay the rest. This is known as a Shared Cost Additional Pension Contributions (SCAPC).

If you require any further information, please contact us using the details below.

t: 01244 976000 e: pensions@cheshirewestandchester.gov.uk w: www.cheshirepensionfund.org

a: Cheshire Pension Fund, Cheshire West and Chester Council, Council Offices, 4 Civic Way, Ellesmere Port, CH65 0BE

You can pay these additional contributions in a one-off lump sum or through regular payments from your wages.

The maximum period of absence you can elect to buy back by a SCAPC is a period of 3 years.

You can contact Cheshire Pension Fund for further information on paying Additional Pension Contributions.

Industrial Action - Strike

If you are absent for a day or more due to a trade dispute the period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of absence. The amount of pension lost is calculated as the appropriate fraction of your assumed pensionable pay for that period of absence (i.e. 1/49th of your assumed pensionable pay if you were in the main section of the scheme or 1/98th if you were in the 50/50 section).

The cost of purchasing the amount of lost pension for the period of absence would be met fully by you; your employer does not make a contribution to the APC.

You can contact Cheshire Pension Fund for further information on paying Additional Pension Contributions.

Reserve Forces Leave

If you are on reserve forces service leave and elect to remain in the LGPS your pension in the scheme will be worked out using your assumed pensionable pay.

Using your assumed pensionable pay ensures that you will continue to build up pension as if you were in work rather than on reserve forces service leave. Any pay you do receive from your employer will not have pension contributions deducted from it.

If you go on reserve forces service leave and elect to stay in the LGPS your employer needs to tell you the amount of basic pension contributions you and the Ministry of Defence (MoD) must pay, the amount of any additional contributions you are paying in the LGPS, and the amount of assumed pensionable pay those contributions must be collected on. You will need to pass this information on to the MoD. Your employee contributions (and any additional contributions you are paying in the LGPS) will be deducted by the MoD and paid across to Cheshire West and Chester Council together with the employer contributions due.

Additional Contributions

If you have:

- prior to 1 April 2014 entered into a contract to buy extra pension (ARCs) or,
- prior to 1 April 2014 entered into a contract to count pre 6 April 1988 membership for a surviving eligible cohabiting partner's pension or,
- prior to 1 April 2008 entered into a contract to buy extra LGPS membership (added years),

by paying extra pension contributions and you are absent from work due to sickness or injury on full or reduced pay, or absent due to relevant child related leave, authorised leave of absence, a trade dispute or reserve forces service leave where your reserve forces leave pay is equal to or greater than your normal pay, you must continue to pay the extra pension contributions you had contracted to pay as if you were not on leave. Where necessary, these can be collected from your pay when you return to work. If you are absent from work due to sickness or injury on no pay, or are on reserve forces service leave where your reserve forces leave pay is less than your normal pay, the extra contributions are deemed to have been paid.

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If you have:

- entered into a contract to buy-back some previous part-time service,

by paying extra pension contributions and you are absent from work due to sickness or injury on full, reduced or no pay, or absent due to relevant child related leave, authorised leave of absence, a trade dispute or reserve forces service leave, you must continue to pay the extra pension contributions you had contracted to pay as if you were not on leave. Where necessary, these can be collected from your pay when you return to work.

If you have:

- entered into a contract to pay Additional Pension Contributions (APCs) or to pay Shared Cost APCs,

and you are absent from work due to sickness or injury on full or reduced pay, or absent due to relevant child related leave, authorised leave of absence, a trade dispute or reserve forces service leave, you must continue to pay the extra pension contributions you had contracted to pay as if you were not on leave. Where necessary, these can be collected from your pay when you return to work. If you are absent from work due to sickness or injury on no pay the extra contributions are deemed to have been paid.

If you are:

- paying Additional Voluntary Contributions (AVCs) or Shared Cost AVCs (SCAVCs) which commenced on or after 1 April 2014,

and you are absent from work due to sickness or injury on reduced contractual or no pay, relevant child related leave or reserve forces service leave then providing you have sufficient pay to cover the AVC (or SCAVC) contract, they remain payable. If you have a period of authorised leave of absence, unpaid additional maternity, paternity or adoption leave or absence due to a trade dispute then you can elect to continue payments in respect of any AVC or SCAVC contracts.

If you are:

- paying Additional Voluntary Contributions (AVCs) or Shared Cost AVCs which commenced before 1 April 2014,

and are absent from work due to sickness or injury, relevant child related leave, authorised leave of absence, a trade dispute or reserve forces service leave then you can continue to make payments in respect of any such AVC or SCAVC contracts.

If you are paying AVCs for extra life cover you should arrange to continue with these payments throughout your leave or cover may cease.

Where necessary, your employer will contact you about making the relevant contributions.

Disclaimer

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