

Introduction

This factsheet explains how your pension benefits under the Local Government Pension Scheme (LGPS) are affected by Maternity, Paternity and Adoption Leave (sometimes referred to as Child Related absence).

Do I continue to pay pension contributions on the pay that I received during my period of absence?

You will be required to pay contributions on any 'statutory' or 'contractual' pay you may receive during your period of child related absence. Despite paying less contributions during this period, your pension build up will NOT be affected. You should contact your Employer if you wish to check your Maternity, Paternity or Adoption pay and leave entitlement.

What happens when my Maternity, Paternity or Adoption pay entitlement comes to an end?

If you decide to return to work at the end of your statutory period of child related leave, you will resume paying contributions on your pensionable pay (as normal) and your pension benefits will NOT be affected. However, if you decide to take a period of unpaid, additional child related leave (usually after 39 weeks), your pay will cease and you will build NO further pension benefits during this time (referred to as 'lost pension').

Can I buy back my 'lost pension'?

When you return to work, your Employer will provide you with the option to buy back the pension lost during your absence by entering into an Additional Pension Contribution (APC) arrangement.

Provided you make an election to buy back within 30 days of returning to work (or such longer period as your Employer allows)¹, the cost of buying back your lost pension will be shared between you and your Employer; 1/3rd to you and 2/3rds to your Employer.

How is the cost of buying back my 'lost pension' calculated?

This cost is based on guidance issued by the Government Actuary's Department (GAD) and is calculated with reference to your 'lost pensionable pay', which is based on your Assumed Pensionable Pay (APP), as an average of the pensionable pay that you received within the 3 complete months (or 12 weeks if weekly paid) prior to your period of reduced / no pay.

¹For further information, please contact your Employer.

How do I buy back my 'lost pension'?

Your Employer is required to provide you with your 'lost pensionable pay' figure, which will enable you to access the online **APC Modeller** to calculate the cost of buying back your lost pension:

<https://apc.lgps2014.org>

In order to proceed, you must then print the online **Application Form** and return a copy to your Employer and to the Pension Fund. You will have the option to buy back your lost pension as a one-off lump sum payment (via the payroll) or monthly over a minimum period of 12 months. If you wish to pay monthly, you may be required to undergo a medical examination by a Registered Medical Practitioner (at your own expense) to certify that you are in 'reasonably good health'. You will need to return this certification with your application form to both your Employer and the Pension Fund.

If you do not elect to buy back your lost pension, the pension built up during the Scheme Year (1 April to 31 March) in which your period of absence falls, will be proportionately less as a result, which means the pension payable upon your retirement (or death) will be less. It may also have an impact on the date at which you can retire and receive the payment of unreduced benefits before your Normal Pension Age (NPA).

What if I pay additional contributions?

Any Additional Voluntary Contributions (AVC) that you are paying will remain payable during your period of absence, provided you are in receipt of enough pay to cover your contribution. However, if you are paying towards an AVC for additional life cover, you will have to make arrangements to continue paying the additional contributions during your absence to ensure that your cover does not lapse.

If you are paying Additional Regular Contributions (ARC) or Additional Pension Contributions (APC) towards purchasing additional pension, or if you are purchasing 'added years', you must continue to pay contributions during your period of absence or your contract will cease.

What about 'KIT' days?

'Keeping in touch' (KIT) days are available during a period of unpaid, additional child related leave. This allows you to attend your workplace during this period for up to a maximum of 10 days. Any pay that you receive for attending KIT days will be deemed to be pensionable. Please contact your Employer for further information on this matter.

Further Information

This factsheet gives general guidance only. For further information, please contact: Tel: **01443 680611** Email: pensions@rctcbc.gov.uk

This document is also available in Welsh.



Maternity, Paternity & Adoption Leave