

# What happens to my pension if I'm absent from work?

There are many reasons for absence and each has a different effect on the pension you build up in the Local Government Pension Scheme.

## What happens if I am on 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.

### Assumed Pensionable Pay

Assumed pensionable pay (APP) is a notional pensionable pay figure provided by your employer to ensure your pension is not affected by any reduction in pensionable pay due to a period of sickness or injury on reduced contractual pay or no pay, or relevant child related leave.

The assumed pensionable pay is calculated as the average of the pensionable pay you received for the 12 weeks (or 3 months if monthly paid) before the pay period in which you went on to reduced pay or no pay because of sickness or injury or before you started a period of relevant child related leave.

## What happens if I am on maternity, adoption or paternity leave or shared parental leave?

During any period of relevant child related leave the pensionable pay figure used to work out your pension is your assumed pensionable pay. Using your assumed pensionable pay (where this is higher than your actual pensionable pay received), rather than the amount of pensionable pay you actually receive when on relevant child related 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 on relevant child related leave.

If you are in the 50/50 section and go onto no pay during ordinary maternity, paternity or adoption leave

you will automatically be moved to the main section of the scheme from the beginning of the next pay period. This means from that point forward you will build up full pension benefits in the LGPS even though you are not paying pension contributions.

However, any period of unpaid additional maternity or adoption leave or unpaid shared parental leave 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 unpaid absence.

The amount of pension lost is calculated as the appropriate fraction of your lost pensionable pay for that period of absence (i.e.  $1/49^{\text{th}}$  of your lost pensionable pay if you were in the main section of the scheme or  $1/98^{\text{th}}$  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 (or such longer period as your employer allows) 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 Contract (SCAPC). You can pay these additional contributions in a one-off lump sum or through regular payments from your wages.

You can obtain a quote and print off an application form to buy **lost** pension at [www.lgpsmember.org](http://www.lgpsmember.org).

**If you have membership of the LGPS before 1 April 2014** you will have built up benefits in the final salary scheme. If you choose to pay for the lost pension in the scheme the amount you pay will go towards covering the protections associated with the pre 1 April 2014 membership.

If you have Keep in Touch (KIT) day(s) or Shared Parental Leave in Touch (SPLIT) day(s) during a period of unpaid additional maternity or adoption leave or unpaid shared parental leave you will build up a pension (based on the section of the scheme you are in) for the day(s) you are paid.

## What happens if I am granted unpaid leave of absence?

If you are granted unpaid leave of absence, 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 lost pensionable pay for that period of absence (i.e.  $1/49^{\text{th}}$  of your lost pensionable pay if you were in the main section of the scheme or  $1/98^{\text{th}}$  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 (or such longer period as your employer allows) 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). 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.

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For information on other types of absence, including strike and reserve forces leave, and for more details on assumed pensionable pay, please visit [www.lgpsmember.org/arm/already-member-absence.php](http://www.lgpsmember.org/arm/already-member-absence.php)