

The Local Government Pension Scheme

Absences Employer FAQs



Notes about Absences

Child Related Absence

Child Related Absence covers a member who is on Maternity leave, Adoption leave, Paternity Leave or Shared Parental Leave.

What contribution should the employee pay?

The employee should pay contributions under either Regulation 9 (Main Section) or Regulation 10 (50/50 Section) – depending on whether a member has made an election to pay contributions under the 50/50 Section – on any amount of pensionable pay they receive during their absence, even if the amount they receive is only statutory pay.

If a member is on Ordinary Maternity, Paternity or Adoption Leave (the first 26 weeks of absence) and is not entitled to receive any pay (including statutory pay) for any part of this period, then the contributions are not taken from the member, although they are deemed to have paid in full for this period.

What contribution should the employer pay?

For all of the Ordinary Leave (whether paid or unpaid) and any period of Additional Leave where the member is in receipt of pay, the employer should pay their contributions based on the member's actual pensionable pay or Assumed Pensionable Pay (APP) if this would be higher.

What if the member is on Additional Maternity, Shared Parental or Adoption leave without pay?

During Additional Maternity, Shared Parental and Adoption Leave, if the member receives no pay, they will have the option of paying Shared Cost Additional Pension Contributions (APCs), where the member pays 1/3rd and the employer pays 2/3rd of the cost to make up the "lost" pension during this break.

As the employer, you will need to inform the member of their right to pay these additional contributions and the amount of APP the member has lost. The member should then be directed to the National LGPS website at www.lgps2014.org where the APC modeller should calculate the total cost to them and to you together with the pension lost for the period of the absence. The APCs can be paid both as ongoing monthly contributions, which would be payable for a complete year, or a number of years, or as a one-off lump sum.

If a member wishes to proceed with an APC, they should complete the Staffordshire Pension Fund forms for this purpose (the forms are available from the Staffordshire Pension Fund website at <http://www.staffspf.org.uk/Members/Active-Members/Pension-Scheme-Information/Absences.aspx>). Form APC1 (Election to pay APCs for Lost Pension) should be completed in all cases. The member should arrange for Form APC3 (Medical Clearance form) to be completed by their GP at their own expense, but only where they have elected to pay their APC over more than 1 year. All forms are to be returned to the employer in the first instance. The employer should complete the relevant section of APC1 and return all forms and the quotation of the APC to Staffordshire Pension Fund for the details of the Absence and the APC to be registered on the member's record.

Are there any time limits?

A member has a period of 30 days from their return to work to elect for a Shared Cost APC, so it is very important that you contact them to inform them of this right as soon as

you are aware that the member has returned or will return to work. If the member elects after the 30 day period, the full cost of the APC falls on the member, unless there has been an administrative error on your part.

What information should be returned to Staffordshire Pension Fund?

The Year End return to Staffordshire Pension Fund should show the APP for the period of reduced pay and unpaid absence. In addition, the relevant tab of the monthly Contribution Return should be updated with details of the Absence.

What if the member is paying additional contributions?

A member of the scheme may be paying APCs, have entered into an Additional Regular Contribution (ARC) or Additional Survivor Benefit Contribution (ASBC) arrangement between 1 April 2008 and 31 March 2014 and is paying a fixed amount per month, or have entered into a Purchase arrangement before 31 March 2008 and is paying an additional percentage of their pay per month. In these circumstances, they must continue to pay these additional contributions in full, even if their absence is unpaid. In practice the contributions will need to be recovered when the member returns to work.

If a member is paying contributions to Standard Life, Clerical Medical or (in a few circumstances) Equitable Life as part of an in-house Additional Voluntary Contribution arrangement, they have the option to cease payment of these contributions during their period of absence.

What if the absence commenced before 31 March 2014?

If a member's Child Related Absence started before 31 March 2014 and the period of absence ceases after 1 April 2014, the absence should be dealt with in 2 parts.

Up to 31 March 2014

This period of absence should be treated under the 2008 regulations: employee contributions for paid period are based on the member's actual pay; employer contributions are based on notional pay. Where a member is unpaid during their Additional Maternity or Adoption leave, they have the opportunity to pay back contributions for the period of the unpaid leave, based on the pay they received on their last day of paid absence, even if they were only entitled to receive Statutory Maternity or Adoption Pay on that day.

After 1 April 2014

This period of absence is treated as outlined above.

Sickness Absence

What contribution should the employee pay?

The employee should pay contributions under either Regulation 9 (Main Section) or Regulation 10 (50/50 Section) – depending on whether a member has made an election to pay contributions under the 50/50 Section – on any amount of pensionable pay they receive during their absence, even if the amount they receive is only statutory pay.

If a member of the 50/50 section commences a period of sickness absence without pay they must be brought back into the main section of the scheme from the start of the pay period following the period of nil pay. This would be the case, even if the period of nil pay is for the first 3 days of any sickness absence (depending on an employer's policy), but only if these days cross a pay period.

When a member of the scheme receives reduced or no pay for sickness absence, their pension is deemed to be paid in full.

What contribution should the employer pay?

For the full period of the absence the employer should pay their contributions based on the member's actual pensionable pay or Assumed Pensionable Pay (APP) if this would be higher.

What information should be returned to Staffordshire Pension Fund?

The (monthly) return to Staffordshire Pension Fund should show actual pensionable pay or APP if this would be higher, for the full period of the absence.

What if the member is paying additional contributions?

A member of the scheme may be paying APCs, have entered into an Additional Regular Contribution (ARC) or Additional Survivor Benefit Contribution (ASBC) arrangement between 1 April 2008 and 31 March 2014 and is paying a fixed amount per month, or have entered into a Purchase arrangement before 31 March 2008 and is paying an additional percentage of their pay per month. In these circumstances, they must continue to pay these additional contributions while they are in receipt of pay. Once they enter a period of nil pay, the additional contributions are deemed to be paid in full.

If a member is paying contributions to Standard Life, Clerical Medical or (in a few circumstances) Equitable Life as part of an in-house Additional Voluntary Contribution arrangement, they have the option to cease payment of these contributions during their period of absence.

What if the absence commenced before 31 March 2014?

If a member's sickness absence started before 31 March 2014 and the period of absence ceases after 1 April 2014, the absence should be dealt with in 2 parts.

Up to 31 March 2014

This period of absence should be treated under the 2008 regulations: employee contributions for paid period are based on the member's actual pay; employer contributions are based on notional pay.

After 1 April 2014

This period of absence is treated as outlined above.

Authorised Absence

Authorised Absence covers any member who has a period of absence agreed by the employer. This also covers Jury Service.

What contribution should the employee pay?

If the employee is in receipt of pay, they should pay contributions under either Regulation 9 (Main Section) or Regulation 10 (50/50 Section) – depending on whether a member has made an election to pay contributions under the 50/50 Section – on actual pensionable pay.

What contribution should the employer pay?

For any period where the member is in receipt of pay, the employer should pay their contributions based on the member's actual pensionable pay.

What if the member is on leave without pay?

During Authorised Absence, if the member receives no pay, they will have the option of paying Shared Cost Additional Pension Contributions (APCs), where the member pays 1/3rd and the employer pays 2/3rd of the cost to make up the “lost” pension during this break, up to a maximum of 36 months.

As the employer, you will need to inform the member of their right to pay these additional contributions and the amount of APP the member has lost. The member should then be directed to the National LGPS website at www.lgps2014.org where the APC modeller should calculate the total cost to them and to you together with the pension lost for the period of the absence. The APCs can be paid both as ongoing monthly contributions, which would be payable for a complete year, or a number of years, or as a one-off lump sum.

If a member wishes to proceed with an APC, they should complete the Staffordshire Pension Fund forms for this purpose (the forms are available from the Staffordshire Pension Fund website at <http://www.staffspf.org.uk/Members/Active-Members/Pension-Scheme-Information/Absences.aspx>). Form APC1 (Election to pay APCs for Lost Pension) should be completed in all cases. The member should arrange for Form APC3 (Medical Clearance form) to be completed by their GP at their own expense, but only where they have elected to pay their APC over more than 1 year. All forms are to be returned to the employer in the first instance. The employer should complete the relevant section of APC1 and return all forms and the quotation of the APC to Staffordshire Pension Fund for the details of the Absence and the APC to be registered on the member's record.

Are there any time limits?

A member has a period of 30 days from their return to work to elect for a Shared Cost APC, so it is very important that you contact them to inform them of this right as soon as you are aware that the member has returned or will return to work. If the member elects after the 30 day period, the full cost of the APC falls on the member, unless there has been an administrative error on your part.

What information should be returned to Staffordshire Pension Fund?

The Year End return to Staffordshire Pension Fund should show the APP for the period of reduced pay and unpaid absence. In addition, the relevant tab of the monthly Contribution Return should be updated with details of the Absence.

What if the member is paying additional contributions?

A member of the scheme may be paying APCs, have entered into an Additional Regular Contribution (ARC) or Additional Survivor Benefit Contribution (ASBC) arrangement between 1 April 2008 and 31 March 2014 and is paying a fixed amount per month, or have entered into a Purchase arrangement before 31 March 2008 and is paying an additional percentage of their pay per month. In these circumstances, they must continue to pay these additional contributions in full, even if their absence is unpaid. In practice the contributions will need to be recovered when the member returns to work.

If a member is paying contributions to Standard Life, Clerical Medical or (in a few circumstances) Equitable Life as part of an in-house Additional Voluntary Contribution arrangement, they have the option to cease payment of these contributions during their period of absence.

What if the absence commenced before 31 March 2014?

If a member's Authorised Absence started before 31 March 2014 and the period of absence ceases after 1 April 2014, the absence should be dealt with in 2 parts.

Up to 31 March 2014

This period of absence should be treated under the 2008 regulations: employee contributions for paid period are based on the member's actual pay and must be paid for the first 30 days of unpaid absence; employer contributions are based on notional pay. Where a member is unpaid for more than 30 days, they have the opportunity to pay back contributions for the remaining period of unpaid leave, based on the pay they would have received. (please note, for Jury Service Absence, employer and employee contributions must be paid for the full period of absence).

After 1 April 2014

This period of absence is treated as outlined above.

Absence due to a Trade Dispute

What contribution should the employee pay?

No contributions are payable by the employee, although they have the option to pay APCs to cover the period of absence.

What contribution should the employer pay?

No employer contributions are payable.

How should the APC be calculated?

During Absence due to a Trade Dispute, the member has the option of paying Additional Pension Contributions (APCs) to make up the "lost" pension during this break. The full contribution is paid by the member.

As the employer, you will need to inform the member of their right to pay these additional contributions and the amount of APP the member has lost. The member should then be directed to the National LGPS website at www.lgps2014.org where the APC modeller should calculate the total cost to them and to you together with the pension lost for the period of the absence. The APCs can be paid both as ongoing monthly contributions, which would be payable for a complete year, or a number of years, or as a one-off lump sum.

If a member wishes to proceed with an APC, they should complete the Staffordshire Pension Fund forms for this purpose (the forms are available from the Staffordshire Pension Fund website at <http://www.staffspf.org.uk/Members/Active-Members/Pension-Scheme-Information/Absences.aspx>). Form APC1 (Election to pay APCs for Lost Pension) should be completed in all cases. The member should arrange for Form APC3 (Medical Clearance form) to be completed by their GP at their own expense, but only where they have elected to pay their APC over more than 1 year. All forms are to be returned to the employer in the first instance. The employer should complete the relevant section of APC1 and return all forms and the quotation of the APC to Staffordshire Pension Fund for the details of the Absence and the APC to be registered on the member's record.

Are there any time limits?

As the cost for an APC is dependent on the member's age at the point the contributions are payable, there is no time limit for an election of this type and a member may elect at any time to pay APCs for Absence due to a Trade Dispute.

What information should be returned to Staffordshire Pension Fund?

The Year End return to Staffordshire Pension Fund should show no pay for the period of Absence due to a Trade Dispute. In addition, at the cessation of absence, the strike return spreadsheet should be returned to Staffordshire Pension Fund.

What if the member is paying additional contributions?

A member of the scheme may be paying APCs, have entered into an Additional Regular Contribution (ARC) or Additional Survivor Benefit Contribution (ASBC) arrangement between 1 April 2008 and 31 March 2014 and is paying a fixed amount per month, or have entered into a Purchase arrangement before 31 March 2008 and is paying an additional percentage of their pay per month. In these circumstances, they must continue to pay these additional contributions in full, even if their absence is unpaid.

If a member is paying contributions to Standard Life, Clerical Medical or (in a few circumstances) Equitable Life as part of an in-house Additional Voluntary Contribution arrangement, they have the option to cease payment of these contributions during their period of absence.

What if the absence commenced before 31 March 2014?

If a member's Absence due to a Trade Dispute started before 31 March 2014 and the period of absence ceases after 1 April 2014, the absence should be dealt with in 2 parts.

Up to 31 March 2014

This period of absence should be treated under the 2008 regulations: the employee may pay contributions at 16% of their notional pay for the period and must elect to do so within 30 days of the return to work (unless your policy as an employer is to automatically take contributions for Trade Disputes unless an employee elects not to pay); the employer does not pay contributions.

After 1 April 2014

This period of absence is treated as outlined above.

Reserved Forces Absence

If one of your employees has a period of Reserved Forces Absence, please contact Staffordshire Pension Fund for details of how this absence should be treated.

Further information

If you would like further information about pension entitlement, please contact Pension Services at the address given below or look on the Pension Fund's secure Employers website at

www.staffspf.org.uk

If a copy of this information is needed in large print, Braille, another language or on cassette or disc, please contact:

**The Pension Services Section, Staffordshire County Council
2 Staffordshire Place, Tipping Street, Stafford ST16 2DH**

Telephone: 01785 278222

E-mail: pensions.enquiries@staffordshire.gov.uk

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