

LEAVE OF ABSENCE AND THE LGPS

IN THIS LEAFLET YOU CAN FIND OUT ABOUT HOW THE PENSION YOU BUILT UP IN THE LGPS COULD BE AFFECTED IF YOU ARE OFF WORK FOR ANY REASON.

Where pension terms are used, they appear in ***bold italic*** type. These terms are defined at the end of this leaflet

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

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 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 because 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.

What happens if I am on maternity, adoption, paternity 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***¹. Using your ***assumed pensionable pay*** (where this is higher than your actual ***pensionable pay*** received), rather than the amount of ***pensionable pay*** you 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.

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

¹ Unless the value of your ***pensionable pay*** received is greater than the value of your ***assumed pensionable pay***. In such cases the value of the ***pensionable pay*** you received is used to work out your benefits as it would be higher than the value of your ***assumed pensionable pay***.

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, paternity or adoption 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 **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 (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 will need a statement from your GP to confirm you are in good health if you wish to make regular payments for longer than 12 months.

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

You can obtain a quote and print off an application form to buy lost pension at www.lgpsmember.org

Your employer should give you the information you need to get the quote and pension services must approve your application and check the quote.

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. To find out more, see the section **IF YOU JOINED THE LGPS BEFORE 1 APRIL 2014**.

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.

Contact Pension Services, Oxfordshire Pension Fund, for further information on paying Additional Pension Contributions.

What happens if I am granted unpaid leave of absence?

If you are granted unpaid leave of absence, including jury service, 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. 1/49th of your lost **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). You can pay these additional contributions in a one-off

lump sum or through regular payments from your wages. You will need a statement from your GP to confirm you are in good health if you wish to make regular payments. Your regular payments must be for a pre-arranged number of whole years.

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

You can obtain a quote and print off an application form to buy lost pension at www.lgpsmember.org Your employer should give you the information you need (lost pay and pension) to get the quote

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. To find out more, see the section **IF YOU JOINED THE LGPS BEFORE 1 APRIL 2014**.

You can contact Pension Services, Oxfordshire County Council for further information on paying Additional Pension Contributions.

What happens if I am on 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 (unless your employer voluntarily chooses to contribute to the APC). You will need a statement from your GP to confirm you are in good health if you wish to make regular payments

You can obtain a quote and print off an application form to buy lost pension at www.lgpsmember.org Your employer should give you the information you need to get a quote

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. To find out more, see the section **IF YOU JOINED THE LGPS BEFORE 1 APRIL 2014**.

You can contact Pension Services, Oxfordshire County Council for further information on paying Additional Pension Contributions.

What happens if I am on reserve forces service 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 and your employer 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 to across to your Oxfordshire County Council Pension Fund, your administering authority together with the employer contributions due.

What if I am paying extra?

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.

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.

Further information, security and disclaimer

The information in this leaflet is based on the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (both effective from 1 April 2014) and other relevant legislation.

It applies to individuals who were contributing members of the Local Government Pension Scheme (LGPS) on 1 April 2014 or who have joined the scheme on or after that date. This leaflet is for employees in England or Wales and reflects the provisions of the LGPS and overriding legislation at the time of publication

In the future the Government may make changes to overriding legislation and, after consultation with interested parties, may make changes to the LGPS.

This leaflet is for general use and cannot cover every personal circumstance nor does it cover specific protected rights that apply to a very limited number of employees; nor does it cover rights that apply to a limited number of employees eg those whose total pension benefits exceed the lifetime allowance (£1,055,000 million in 2019/20), those whose pension benefits increase in any tax year by more than the standard annual allowance (£40,000 in 2019/20) or for high earners, the tapered annual allowance, those to whom protected rights apply, those whose rights are subject to a pension sharing order following divorce or dissolution of a civil partnership. In the event of any dispute over your pension benefits, the appropriate legislation will prevail as this leaflet does not confer any contractual or statutory rights and is provided for information purposes only.

The booklet, as the combination of all the leaflets, explains the benefits available to you as a member of the LGPS. It describes how the scheme works, what it costs to be a member and the financial protection that it offers to you and your family.

Where pension terms are used, they appear in ***bold italic*** type and are described further at the end

of the leaflet.

As the Administering Authority of the Fund we hold securely, certain information about you (“personal data”), which we need to administer the Fund. The information is provided by yourself and your employer. If you believe the information we hold is incorrect contact Pension Services. You will find more details, and the full privacy notice on www.oxfordshire.gov.uk/cms/content/administration-and-performance

You are welcome to contact Pension Services with any questions about how we use and or share your information, find out more about your rights or to see what information we hold.

The national website for members of the LGPS is www.lgpsmember.org

For more information or if you have a problem or question about your LGPS benefits, please contact

General enquiries

Pension Services

Oxfordshire Pension Fund
4640 Kingsgate
Oxford Business Park South
Oxford
OX4 2SU

Telephone: 03300 241 359

E-mail: pension.services@oxfordshire.gov.uk

We welcome personal visits, but please make an appointment first.

Website: www.oxfordshire.gov.uk/pensions

The national web site for members of the LGPS is www.lgpsmember.org

You can find out about what you can do if you are not happy about a decision made about your LGPS pension position from the leaflet [HELP WITH PENSION PROBLEMS](#).

Your on-line secure pension record

You can sign up to your pension record *My Oxfordshire Pension* at <https://oxfordshire.pensiondetails.co.uk>

You will be able to keep your address details current and find scheme notices and documents on this record.

We will be using *My Oxfordshire Pension* as the primary communication method with our scheme members unless we receive a written notice that you are unable to access the internet.

Some terms we have used in this leaflet

Additional Voluntary Contributions (AVCs)

These are extra payments to increase your future benefits. You can also pay AVCs to provide additional life cover.

All local government pension funds have an AVC arrangement in which you can invest money through an AVC provider, often an insurance company or building society. AVCs are deducted directly from your pay and attract tax relief.

Assumed pensionable pay

This provides a notional **pensionable pay** figure 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** or **reserve forces service leave**.

If you have a period of reduced contractual pay or no pay due to sickness or injury or you have a period of **relevant child related leave** or **reserve forces service leave** then your employer needs to provide the Oxfordshire Pension Fund with the **assumed pensionable pay** you would have received during that time unless during the period of **relevant child related leave** the **pensionable pay** received was higher than the value of the **assumed pensionable pay**. This requires a calculation to be carried out by your employer to determine what your pay would have been for the period when you were on reduced contractual pay or no pay due to sickness or the period of **relevant child related leave** or **reserve forces service leave**.

The **assumed pensionable pay** is calculated as the average of the **pensionable pay** you received for the 12 weeks (or three 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 you started a period of **relevant child related leave** or **reserve forces service leave**. In calculating the average, any reduction due to authorised leave of absence or due to a trade dispute is ignored. If the pay you received in the 12 weeks (or three months if monthly paid) before the pay period in which you went on to reduced pay or no pay is materially lower than the pay you would normally receive, your employer has a discretion to use a higher pay in the calculation. Your employer must have regard to the **pensionable pay** you earned over the previous 12 months when determining what your normal level of **pensionable pay** is.

Once the average pay has been determined the resulting figure is then grossed up to an annual figure and then divided by the time you were on reduced pay or no pay for sickness or injury or on **relevant child related leave** or **reserve forces service leave**.

Assumed pensionable pay is also used to work out:

- any enhancement to your pension awarded due to ill health retirement
- any lump sum death grant following death in service, and
- any enhancement which is included in survivor benefits following death in service.

The **assumed pensionable pay** for these purposes is calculated as the average of the **pensionable pay** you received for the 12 weeks (or three months if monthly paid) before you died in service or before you left employment due to ill-health retirement. In calculating the average, any reduction due to authorised leave of absence or due to a trade dispute is ignored.

If the pay you received in the 12 weeks (or three months if monthly paid) before you died in service or before you left employment due to ill-health retirement is lower than the pay you would normally receive, your employer has a discretion to use a higher pay in the calculation. Your employer must have regard to the pensionable pay you earned over the previous 12 months when determining what your normal level of pensionable pay is. If an independent registered medical practitioner certifies that, during the period used to determine **assumed pensionable pay**, you were working reduced contractual hours because of the ill-health which led to your retirement or death in service, the **assumed pensionable pay** is to be calculated on the pay you would have received during that period had you not been working reduced contractual hours. The resulting figure is then grossed up to an annual figure.

Eligible cohabiting partner

An **eligible cohabiting partner** is a partner you are living with who, at the date of your death, has met all the following conditions for a continuous period of at least two years:

- you and your cohabiting partner are, and have been, free to marry each other or enter into a **civil partnership** with each other, and
- you and your cohabiting partner have been living together as if you were husband and wife, or **civil partners**, and
- neither you or your cohabiting partner have been living with someone else as if you/they were husband and wife or **civil partners**, and
- either your cohabiting partner is, and has been, financially dependent on you or you are, and have been, financially interdependent on each other.

Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

On your death, a survivor's pension would be paid to your cohabiting partner if:

- all the above criteria apply at the date of your death, and
- your cohabiting partner satisfies Oxfordshire Pension Fund that the above conditions had been met for a continuous period of at least two years immediately prior to your death.

You are not required to complete a form to nominate a cohabiting partner for entitlement to a cohabiting partner's pension. However, you can provide Pension Services with your cohabiting partner's details. Your Pension Fund will require evidence upon your death to check that the conditions for a cohabiting partner's pension are met.

Pensionable Pay

The pay on which you normally pay contributions is your normal salary or wages plus any shift allowance, bonuses, overtime (both contractual and non-contractual), Maternity Pay, Paternity Pay, Adoption Pay and any other taxable benefit specified in your contract as being pensionable.

You do not pay contributions on any travelling or subsistence allowances, pay in lieu of notice, pay in lieu of loss of holidays, any payment as an inducement not to leave before the payment is made, any award of compensation (other than payment representing arrears of pay) made for the purpose of achieving equal pay, pay relating to loss of future pensionable payments or benefits, any pay paid by your employer if you go on **reserve forces service leave** nor (apart from some historical cases) the monetary value of a car or pay received in lieu of a car.

Relevant Child Related Leave

Relevant child related leave includes periods of Ordinary Maternity, Adoption or Shared Parental Leave (normally first 26 weeks), Paternity Leave and any periods of paid Additional Maternity, Adoption (normally after week 26 weeks up week 39) or Shared Parental Leave

Reserve Forces Service Leave

This occurs when a Reservist is mobilised and called upon to take part in military operations. The period of mobilisation can range up to a maximum of 12 months. During a period of **reserve forces service leave** you will, if you elect to stay in the LGPS during that leave, continue to build up a pension based on the rate of **assumed pensionable pay** you would have received had you not been on **reserve forces service leave**.