

Maternity, Paternity, Adoption and Shared Parental Leave

Introduction

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

Do I still pay pension contributions on the pay that I receive during Child Related Absence?

Yes, you still pay contributions on any 'statutory' or contractual' pay you receive during your period of Child Related Absence.

Are my pension benefits affected by being on Child Related Absence?

To understand the effect on your pension benefits you need to understand your pay and leave entitlement. You should check this with your Employer.

Periods of Ordinary and Additional Leave

For periods of Ordinary Leave (normally the first 26 weeks) or any periods of Additional leave (normally after week 26 up to week 39) your pension benefits are based on an Assumed Pensionable Pay (APP) which is calculated by your Employer. This APP is based on an average of the pensionable pay you receive in the 3 months (or 12 weeks if you are paid weekly) before the pay period in which your pay reduces.

By using this APP figure to work out your pension benefits your pension is not affected by the reduction in your actual pay and you continue to build up pension as if you were working and receiving pay.

Periods of Additional Unpaid Leave

After week 39 up to week 52 you may be able to take further additional leave, however this is unpaid and so Assumed Pensionable Pay is not used for this period and you will **not** automatically build up any pension benefits for this period. When you return to work you will have the option of **buying back** the pension you have **lost** during this period.

How do I buy back lost pension?

When you return to work your employer will provide you with the 'lost pensionable pay' details you need to calculate how much it will cost to buy back this lost pension. Buying back pension is done by entering an **Additional Pension Contribution (APC)** contract.

Your Employer will provide you with your **lost pensionable pay** figure, which you need to when using online **APC Calculator** to work out the cost of buying back your lost pension:

<https://www.lgpsmember.org/more/apc/lost.php?>

If you make an election to buy back the lost pension within **30 days** of returning to work (or such longer period as your Employer allows), 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. (For more details about your Employer extending this 30-day window, please contact your Employer).

You have the option to buy back lost pension as a one-off lump sum payment (deducted from your pay) 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.

If, after calculating the cost, you decide you do want to buy back the lost pension, print the online **Application Form**, and return a copy to your Employer. Your Employer will arrange for the contributions to be taken from your pay and will send a copy of the form to your Pension Fund.

If you choose not 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 **less** as a result, which means the pension payable upon your retirement 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 continue to be deducted from your pay 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 your own 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 normally available during a period of child related leave. This allows you to carry out up to **10 days** work and get paid. Any pay that you receive for working a KIT day is treated as pensionable. Please contact your Employer for further information on this matter.

Where can you find more Information?

This factsheet gives general guidance only, if you need further information, please contact the City & County of Swansea Pension Fund:

Tel: 01792 636655

Email: pensions@swansea.gov.uk

Disclaimer

The Pension Fund is unable to provide any financial advice. After reading this factsheet, you may want to seek independent financial advice to make an informed decision.

These bodies may be able to help you:

Unbiased: <https://unbiased.co.uk/>

Money Advice Service:

<https://www.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser>