

Introduction

This factsheet explains how your pension benefits under the Local Government Pension Scheme (LGPS) are affected by a period of authorised / unauthorised unpaid absence. However, it does NOT cover any period of child related absence. For further information on this, please refer to the Maternity, Paternity & Adoption Leave factsheet.

Will I continue to build pension during a period of authorised / unauthorised unpaid absence?

During any period of authorised / unauthorised unpaid absence, your pay will cease and you will build NO further pension benefits during this time. This is referred to as 'lost pension'. However, there will be NO affect to your pension benefits if you are absent from work due to **sickness or injury**.

Can I buy back 'lost pension'?

Upon your return to work, you will have the option to buy back the pension lost during your period of authorised / unauthorised unpaid absence by entering into an **Additional Pension Contribution (APC)** arrangement.

For an authorised period of unpaid absence, the cost of buying back your lost pension will be shared between you and your Employer; 1/3rd to you, as the member and 2/3rds to your Employer, provided you make an election to buy back within 30 days of returning to work (or such longer period as your Employer allows). For further information, please contact your Employer).

What about an unauthorised period of absence?

For any period of unauthorised absence, such as strike, you will have the option to buy back your lost pension in **full, as NO contribution will be made by your Employer**. There is no requirement to make your election within 30 days of returning to work, although your election should be made as early as possible, as the factors used to calculate the cost of buying back your lost pension are age-related.

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

For an authorised period of unpaid absence, the cost is based on guidance issued by the Government Actuary's Department (GAD) and your Assumed Pensionable Pay (APP), which is 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. However, if unauthorised (such as strike), the calculation is based on the pensionable pay that you lost during your period of absence.

How do I buy back my 'lost pension'?

In order to buy back your lost pension, you will need to find out how much pensionable pay you have lost during your period of absence. Your Employer is responsible for providing you with this information.

You will then be able to access the online **APC Modeller** to calculate the cost of buying back your lost pension:

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

In order to buy back your lost pension, you must print the **Application Form** from the online Modeller and return a copy to your Employer and 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. However, 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'.

What if I decide not to buy back my 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 in the event of your 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.

If you are paying AVC for additional live cover, you will have to make the necessary arrangements to continue paying during your period of absence to ensure 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 additional membership, you must continue to pay contributions during your period of absence or your contract will cease.

Further Information

This factsheet gives general guidance only. For further information, please contact:

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Email: pensions@cardiff.gov.uk



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ALL WALES PENSION FUNDS

factsheet



Absent from Work