



## Merseyside Pension Fund Fact Sheet 8: Leave of Absence (January 2010)

### Leave of Absence and the LGPS

In this factsheet you can find out about how your membership in the LGPS could be affected and your benefits reduced if you are off work for any reason.

There are many reasons for absence and each has a different effect on your LGPS membership.

### What happens if I am on sick leave?

During a period of sick leave your LGPS benefits will continue to build up as if you were working normally and receiving full pay. You will continue to pay basic LGPS contributions on any pay 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.

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

During any period of:

- paid maternity leave (including any period when only Statutory Maternity Pay is paid)
- paid adoption leave (including any period when only Statutory Adoption Pay is paid)
- any unpaid maternity or adoption leave during the 26 week Ordinary Maternity leave / Ordinary Adoption leave period, and
- statutory paternity leave

your LGPS benefits will continue to build up as if you were working normally on full pay.

You must continue to pay pension contributions on the actual pay, if any, you are receiving.

However, any period of unpaid maternity or adoption leave beyond the 26 week Ordinary Maternity leave / Ordinary Adoption leave period will not count for pension purposes unless you have a right to return to work, in which case you can choose to pay back pension contributions for the unpaid period to make it count. The cost of paying back is based on the last rate of pay you received ignoring any increase in pay due to working a Keep in Touch day.

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

If you are granted unpaid leave of absence or leave on reduced pay (including parental leave):

### For the first 30 days

Full LGPS membership continues to build up during this period, but you must pay the pension contributions that would have been paid had you been at work.

### After 30 days

This period will not count as membership unless you pay for it to do so. You can elect to pay contributions for the whole period of your absence, up to a maximum of 3 years, and maintain your full pension benefits. For the period to count towards your membership, you must pay the contributions that you would have paid if you had been at work.

## What happens if I am on jury service?

If you are called for jury service you will continue to have full LGPS membership during jury service, but you must pay pension contributions based upon your normal pay.

## What happens if I am on strike?

Absence from work for one or more whole days because of strike does not count as membership in the LGPS. You can elect to buy back the membership lost at a rate of 16% of the pay you would have received if you had been at work.

## What happens if I am on reserve forces leave?

Full membership of the LGPS continues to build up throughout reserve forces leave of absence and you will continue to pay pension contributions on your reserve forces pay if it equals or exceeds your normal pay.

If your reserve service pay is less than your normal pay, you will not have to make contributions and your benefits will not be affected.

## How long have I got to decide to pay back contributions?

An election to pay back contributions after maternity, paternity or adoption leave, authorised leave of absence or strike absence must be made to your employer, in writing, **within 30 days of your return to work**, or **within 30 days of leaving** if you do not return or such longer period as your employer may allow. This is an employer discretion; you can ask your employer what their policy is on this matter.

## What if I am paying extra?

If you have entered into a contract to buy extra pension (Additional Regular Contributions) or additional LGPS membership (added years) and you are absent from work due to:

- authorised leave of absence, jury service, strike action, maternity, paternity or adoption leave, you must continue to make the extra pension payments and/or payments to buy additional membership you had contracted to pay as if you were not on leave.
- Reserve Forces Leave, you continue to build up extra pension / membership but you will only have to pay your extra contributions if your reserve forces pay is equal to or exceeds your normal pay.

If you are paying Additional Voluntary Contributions (AVCs) and are absent from work due to authorised leave of absence, jury service, strike action, maternity, paternity or adoption leave you can arrange to continue to make your AVC payments throughout your leave.

If you are paying AVCs for extra life cover you should arrange to continue with these payments throughout your leave or cover may cease. If you are on Reserve Forces Leave, your AVC payments will continue unless you choose to discontinue them.

If you have entered into a contract to buy extra pension (additional regular contributions) or additional LGPS membership (added years) and you are absent due to sickness you will continue to pay those extra contributions whilst you remain on full pay.

You will not be required to pay those extra contributions during a period of sick leave on reduced or no pay. If you are paying Additional Voluntary Contributions (AVCs) you will continue to pay the AVCs on any pay received.

If you are paying AVCs for life assurance cover you should arrange for these to continue during any period of unpaid sick leave otherwise the life assurance cover may cease.

## More information

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

### Address:

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## **Disclaimer**

The information in this fact sheet applies to individuals who were contributing members of the Local Government Pension Scheme on 1 April 2008 or who have since joined. The fact sheet was up-to-date at the time of publication in January 2010. This fact sheet 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. 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.