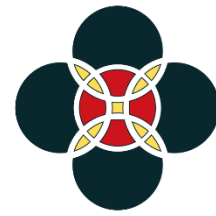




Local Government
Pension Scheme



Cronfa Bensiynau
CLWYD
Pension Fund

Local Government Pension Scheme

Absent from Work

April 2025

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Introduction

Your pension benefits in the Local Government Pension Scheme (LGPS) are affected by authorised and unauthorised unpaid absences. However, this factsheet does not go into detail about child related absences. For information on this, please read the Maternity, Paternity, Adoption & Shared Parental Leave factsheet in the **forms and resources section** of our website.

Will you continue to build up pension during unpaid absence?

During any period of authorised or unauthorised unpaid absence, you will not build up any further pension benefits during this time. This is known as lost pension.

Please note that your pension benefits are not affected if you are absent from work due to sickness or injury. You will not have any lost pension during a sickness absence.

Can you buy back lost pension?

When you return to work, you will have the choice to buy back the lost pension through an additional pension contribution (APC) contract.

For an authorised period of unpaid absence, the cost of buying back your lost pension may be shared between you and your employer:

- One third of the cost is paid by you
- Two thirds of the cost is paid by your employer

For the cost to be shared, you must choose to buy back the lost pension within 30 days of returning to work (unless your employer allows longer than 30 days).

If you choose to buy back the lost pension after 30 days of returning to work (and your employer will not extend the 30 day deadline), you will pay 100% of the pension contributions.

What about an unauthorised absence?

For any period of unauthorised absence, for example a strike break, you will only have the option to pay the full cost of the lost pension. No contributions will be paid by your employer. There is no 30 day deadline to decide to buy the lost pension. However, you should decide as soon as possible because age-related factors are used to calculate the cost of buying back your lost pension.

How is the cost of buying back your lost pension calculated?

For an authorised unpaid absence, the cost is calculated using guidance from the Government Actuary's Department and your Assumed Pensionable Pay (APP). APP is an

average of the pensionable pay that you received within the three complete months (or 12 weeks if weekly paid) before the reduction in your pay.

For an unauthorised unpaid absence, the calculation is based on the pensionable pay that you lost during your period of absence.

How do you buy back your lost pension?

To buy back your lost pension, you will need to find out how much pensionable pay you have lost during your absence. You should ask your employer for this information, as they are responsible for providing it to you.

You should then use the online APC calculator to find out the cost of buying back your lost pension:

<https://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-lost-pension-calculator/>

If you want to go ahead with buying back the lost pension, complete the application form on the APC calculator and return a copy to your employer's payroll department and a copy to the Clwyd Pension Fund.

You can buy back your lost pension in different ways:

- as a one-off lump sum payment through the payroll so that your payment attracts tax relief
- as a one-off lump sum paid directly to the Clwyd Pension Fund, but you will have to contact HM Revenue & Customs yourself to receive your tax relief
- monthly over a minimum period of one year through the payroll so that your payments attract tax relief

If you wish to pay monthly, you may be asked 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 you decide not to buy back your lost pension?

The pension built up during the scheme year in which your absence happened, will be proportionately less as a result. A scheme year runs from 1st April to 31st March. This means the pension payable when you retire (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 pension benefits before your normal retirement age.

What if you pay additional contributions?

If you have previously decided to pay additional voluntary contributions (AVCs), you must keep on paying them during your absence, so long as you receive enough pay to cover your contributions.

If you are paying AVCs for additional life cover, you will have to make the necessary arrangements to continue paying this during your absence, to make sure your cover does not run out. If this is the case, please contact the Clwyd Pension Fund.

If you are paying additional regular contributions (ARCs) or additional pension contributions (APCs) to buy additional pension, or if you are buying additional membership, you must continue to pay these additional contributions during your absence, or your contract will stop.

Where can you find more information?

This factsheet gives general guidance only. If you need more information, please contact the Clwyd Pension Fund:

Phone: 01352 702950 / 01352 702940 / 01352 702880

Email: pensions@flintshire.gov.uk

Address: Clwyd Pension Fund, Tŷ Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Website: <https://clwydpensionfund.org.uk>

Disclaimer

The Clwyd 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>

MoneyHelper:

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>



clwydpensionfund.org.uk

Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.