

Local Government Pension Scheme (LGPS) factsheet Maternity, Adoption, Paternity & Shared Parental Leave

This leaflet is for guidance only and shows how your pension could be affected if you are away from work on maternity, adoption, paternity leave or shared parental leave.

You are advised to discuss your entitlement to statutory payments with your employer.

What happens to my pension if I am on maternity, adoption, paternity leave 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, where this is higher than the actual pensionable pay you receive. Assumed Pensionable Pay is a notional figure that is used to make sure your pension is not affected by the pay reduction.

Relevant child-related leave in the LGPS means:-

- Ordinary maternity or adoption leave (normally the first 26 weeks)
- Paid additional maternity or adoption leave (normally weeks 27 to 39)
- Paid shared parental leave

This means that, during any period of relevant child-related leave, you will continue to build up a pension in whatever section of the Local Government Pension Scheme (LGPS) you are in, as if you were working normally and receiving pay.

Contributions during child-related leave

You will continue to pay your basic LGPS contributions on any pay that you receive while you are off on relevant child-related leave. If you are in the 50/50 section and go on to 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 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. Please see the '50/50 section' below for further information on what being in the 50/50 section means.

Unpaid additional maternity, adoption leave or unpaid shared parental leave

Any period of unpaid additional maternity, adoption leave or unpaid shared parental 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.

Unpaid additional maternity or adoption leave is normally from weeks 40 to 52, but could start earlier for some members.

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 (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 contribution (SCAPC). Please see the 'How do I buy lost pension?' section below for further details.

You can pay these additional contributions in a one-off lump-sum or through regular payments from your wages. The maximum period of absence you can elect to buy back by a SCAPC is three years.

For more information regarding APCs, please visit www.lgpsmember.org/your-pension/paying-in/paying-more/

Keep in touch (KIT) or shared parental leave in touch (SPLIT) days

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.

How do I buy lost pension?

Once you return to work you will have the option to pay additional pension contributions to buy back the lost pension for any period of unpaid additional maternity, adoption leave or unpaid shared parental leave. You can do this if you are in either the main or 50/50 section of the LGPS.

If you elect to buy back the lost pension within 30 days of returning to work your employer will meet two thirds of the cost. You can spread the cost of buying the lost pension by making regular payments from your salary or you can pay by lump sum. If you pay tax, you will get tax relief on the additional contributions you make.

For further information and to obtain a quote to buy lost pension, visit <https://www.lgpsmember.org/more/apc/index.php>. You will need to know the amount of 'Lost Pensionable Pay' you have missed out on during any period of unpaid additional maternity, adoption leave or unpaid shared parental leave in order to use the 'Buy lost pension calculator'. You should contact your employer's payroll department to request this information.

Remember, you must return your application form within 30 days of returning to work for your employer to meet two-thirds of the cost of buying lost pension during your no pay period.

50/50 section

You have the option in the LGPS to pay half your normal contributions in return for half your normal pension. This is known as the 50/50 section of the scheme and is designed to help members stay in the scheme when times are financially tough. If you are in the 50/50 section, your employer is required to automatically put you back into the main section of the scheme at least every three years in line with their automatic enrolment date.

More information

If you have any questions, please contact:

Lambeth Pensions
PO Box 80771
London
SW2 9QQ

Tel: 020 7926 3333 (option 2)
Email: pensions@lambeth.gov.uk
Website: www.lgpslambeth.org

Disclaimer

This factsheet provides an overview of the rules at May 2024. It should not be treated as a complete and authoritative statement of the law. The rules governing the LGPS can be complex and are subject to change; if you are unsure how to proceed you are advised to obtain independent financial advice. For help in choosing an independent financial advisor, visit the [MoneyHelper website](#).