

Dear

Local Government Pension Scheme (LGPS) 2014 Authorised Unpaid Leave

You have recently taken a period of unpaid leave and this will now have an affect on the amount of pension you will have earned in this current financial year. The impact to your pension may be very small, or, if you have taken a longer period of unpaid leave, the loss to your pension could be more significant.

How your pension is calculated

Each year as a member of the pension scheme you build up a pension based on your pensionable pay. For each scheme year that you are a member, a pension equal to $1/49^{\text{th}}$ of your pensionable pay is added into your 'pension account'.

For example, if you earn £15000 in a year, this is divided by 49 equalling £306.12. This amount is the annual pension earned in this period. The £306.12 is put into your individual pension account, and inflation increases will also be added each year to ensure that your pension keeps up with the cost of living.

How unpaid leave will affect your pension

If your earnings are reduced in any one year, the pension you accrue will be lower than it otherwise would have been. The loss to your pension will depend on how much pay you have lost.

If you have lost only one days pay at, for example £60, you would have lost only £1.22p in annual pension ($£60 \div 49 = £1.22$).

If you have taken two weeks leave, and the amount of lost pay was for example £800, you would have lost £16.32 in annual pension ($£800 \div 49 = £16.32$).

To calculate the loss to your pension, take the total amount of pay lost during your unpaid leave, and divide by 49.

The amount of pay deducted from your salary in regard to your unpaid leave period is £***.**

You now need to make a decision regarding the loss to your pension.

You can, if you wish, buy back the amount of pension you have lost by paying Additional Pension Contributions (APCs). If you elect to do this within 30 days of your return to work your employer will meet 2/3rds of the cost. This is known as Shared Cost Additional Pension Contributions (SCAPCs).

If you elect after the 30 day period you would need to pay the full cost of the APC, unless your employer chooses to contribute to the cost.

Payments would be taken direct from your salary, where they attract tax relief at source, and would be either a one off payment or payments made over a period of one or more complete years. Payment over a period of time is permissible where practical and is subject to you not being within a year of your Normal Pension Age.

Please note, no extra pension benefits are payable to your dependants in respect of the extra pension bought as APCs buy extra pension for you only.

Next Steps

If you wish to apply to buy back the lost pension please follow the link below for additional information, details of the additional cost to you and the relevant application form.

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

If you do not have access to a computer please contact **** (EMPLOYER TO PERSONALISE) who will be happy to assist you.

Yours sincerely,