

How to do...

**Shared Cost Additional Pension
Contributions for
Authorised Unpaid leave**

Regulations

Member has the right to buy 'lost' pension for authorised unpaid leave of absence.

- Authorised unpaid leave of absence includes any period of unpaid additional maternity, unpaid parental bereavement leave, unpaid shared parental leave, career breaks and jury service.

If elect within 30 days of returning to work (or such longer period as the employer allows), the employer must pay 2/3rds of the cost of the Additional Pension Contributions (APC) which is a Shared Cost APC.

SCAPC can be used for absences up to 36 months. If more than 36 months employee pays full cost for the excess (unless employer agrees to contribute)

Employer responsibilities

Employer must write to the member informing of loss to their pension and how much their 'lost' pay is.

Letter must be clear on timeframes and procedure

- Member must elect with 30 days of return to work or other timescale (date of letter?)
- Member must go online to provide costings

Sample letter is provided on employer website to be adjusted as needed.

Online calculator for costs

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

The screenshot shows a web browser window with the URL <https://www.lgpsmember.org/help-and-support...>. The page title is "Buy lost pension calculator" and it is part of the "Help and Support" section. A progress bar indicates that 40% of the form is completed. The form includes the following fields:

- Gender***: A dropdown menu with "Select..." and a downward arrow.
- Date of birth***: A text input field with the placeholder "dd/mm/yyyy", a calendar icon, and a green question mark icon.
- Lost Pensionable Pay (from employer) (£)***: A text input field with a green question mark icon.
- Reason for absence***: A dropdown menu with "Select..." and a downward arrow, with a green question mark icon.
- Section of scheme***: A text input field.

Online process

Payment can be made by monthly contribution or by lump sum payment.

This form will be produced for signing by member and by employer.

Employer needs to action on their payroll.

Local Government Pension Scheme



Buying Lost Pension - Application for Additional Pension Contribution (APC)

Payment method: deduction from payroll

Version 1.8

Part A: Applicants details

Lost pensionable pay	£ 500		
Name	An Member	Gender	female
NI Number	AB123456C	Age used in calculation	32
Employer	Dorset Test Employer	State Pension Age	68 y 0 m 0 d
		Next birthday	09/10/24
Job Title	Test Member	Pay Frequency	
Email	lgpsemployers@dorsetcouncil.gov.uk	Last day of absence	06/10/2023

Part B: Lump sum deduction from payroll

Reason for absence: authorised unpaid leave

Yearly pension lost during absence	£10.20
Years of agreement	NA
Pension added per year of agreement	£NA
Total Lump sum cost to buy lost pension	£109.04
Lump sum cost to employer	£72.69
Lump sum cost to member before tax relief	£36.35
Lump sum cost per £100 of pension (before tax relief)	£1,069.00

Application

I agree for the regular or lump sum amount shown as **cost to member** to be taken from my pay in the next available pay period. For regular payments, I agree that the payments may continue for the duration of the agreement period (unless I elect at some future time to cease payments). **Please sign and date this application form and send it to your employer.** By submitting this application you confirm that you have read and understood the [terms and conditions](#).

Applicants signature

Application date

For employer use only

I am authorised to complete this section on behalf of the employer and confirm that the information in Part A above is correct. Where there is a cost to the employer which does not have to be paid, I confirm this cost is authorised. An employer is not obliged to meet part of the cost where the member applies to buy back lost pension more than 30 days after returning to work. **Please sign and forward this form to your LGPS pension fund.**

Name

Date

Signature

Online process – extra considerations

What if the member has a birthday during the period of authorised unpaid leave?

The SCAPC is worked out using Age Related Factors so if the leave spans their birthday two forms will be needed.

You will need to provide the pay lost up to the birthday and the pay lost after the birthday!

Inform DCPF

- Inform DCPF using employer portal of the leave, when
 - you have received the application for a SCAPC
 - or after the member's 30 days to apply is over

Use the Web Service Break Notification for all – even if not elected to buy back.

Service Break Notification

Dorset County Pension Fund
administered by Dorset Council

Search keywords...

Work Item Processing: Start A Process

ACTIONS

- ★ [Do you want to start process ?](#)
- ◆ Proceed to Choose what to start the process against

Select the Process you wish to start

Doc Type: Client count: 1

Filter...

- ⊖ Most Frequently Used
 - Create a new user
- ⊖ WEB
 - ⊖ Employee forms HUB
 - Change of Hours
 - Change of Personal Details
 - Document Upload
 - Joiner Notification
 - Monthly Return Excl Financial - Employer Load
 - Scheme Movements
 - Service Break Notification**
 - Web Estimate Request
 - Web Leaver
 - Web Revised Leaver
 - ⊕ Hub

Dorset County Pension Fund
administered by Dorset Council

Search keywords...

Work Item Processing: Web Service Break Notification

UPMFolder: Mr Test Memberg, 119434: 121229, (Status: Active), [link]

ACTIONS

- ★ [Enter Process Data \(DataForm\)](#)

Surname
Memberg

Gender
Male

Date of Birth
20/04/1990

Employee Payroll Number
175506

NI Number
LJ997808A

Membership Reference
121229

Folder Status
Active

Service break information

Pension Service break from (DD/MM/YYYY):

Pension Service break to (DD/MM/YYYY):

Was this service break bought back?

Employer Contact Details

Completed by *
EMP09999Test Training

Date (DD/MM/YYYY):
12/10/2023

The above is a correct and complete statement of the member's position certified on behalf of the employer.

Submit

Outsourced payroll

If your payroll is outsourced, you may still need to organise authorised unpaid leave letters and applications.

Check whose responsibility this task is, HR or Payroll – it will depend on your contract

Often employers have assumed their payroll is doing this but payroll assume it's the employer!