



This guide covers periods of absence from 1 April 2014; other provisions apply to earlier periods.

Authorised unpaid leave (otherwise than because of illness or injury, or ordinary or paid additional child related leave, or reserve forces leave) does not count for pension purposes unless, whilst an active member of the scheme, an option to pay an Additional Pension Contributions (APCs) is made.

How is my pension affected?

You will have 'lost' pension equal to 1/49th of the pensionable pay you would have received had you not been absent (or half of that amount if you are in the 50/50 section). If you want to buy-back the amount of 'lost' pension the cost will depend on how old you are when you elect to buy it back and your gender, length of payment period and the amount being bought.

If you do not opt to pay Additional Pension Contributions (APCs) the period of absence will not count for pension purposes. This has some potential implications. For example, each day of absence:

- will marginally reduce the amount of pension to be added to your pension account (compared to the amount of pension that would have been added had you not been absent),
- will in some cases, extend by the length of the absence, the date when a member who joined the Scheme before 1 October 2006 could retire before Normal Pension Age on an unreduced pension (i.e. add the length of the absence to the date on which a member's combined age and membership in the Scheme, both in whole years, add up to 85 (known as the '85 year rule'), and
- may, if you joined the Scheme prior to 1 April 2014, have a marginal impact on the final pay figure used in the calculation of your pre 1 April 2014 pension benefits should you leave within 12 months of the end of the period of absence or, in some cases, within 3 years of the end of the period of absence. Whether the final pay figure might be more or less than if you had paid contributions to enable the day to count will depend on the date of leaving and the level of promotions or pay rises, etc that occur after the trade dispute has ended and, in some cases, how these compare to the level of pay prior to the unpaid period.

What Options Do I Have?

You may opt to pay Additional Pension Contributions (APCs) in order to buy-back the 'lost' pension and count the period in full for pension purposes. Your employer will meet 2/3rds of the cost provided you make an election within 30 days of returning back to work after the period of absence. If you make an election after the 30 days you can still buy back the amount of lost pension but it will be at whole cost to you (unless your employer chooses to contribute towards the cost). You can cover the lost pension for a period of absence up to a maximum of 36 months.

If you are interested in buying back the 'lost' pension we can provide you with a quote.



How does it work?

You can choose to buy the lost pension by spreading the payment of additional pension contributions over a number of complete years or by making a one-off lump sum payment. However, if you are within a year of, or over, your Normal Pension Age or, the cost to you is under £60 you can only pay by means of lump sum.

- If you choose to spread the payments, the additional contributions would be deducted from your pay each pay period and attract automatic tax relief.
- If you choose to pay by one-off lump sum you can do this through payroll and receive automatic tax relief or,
- make payment direct to NPF but you would be responsible for claiming any tax relief on the payment direct from HM Revenue and Customs via your self-assessment tax return.
Note: If you make direct payment to NPF there are potential tax implications if you use a tax free lump sum due from, or already received from, a pension scheme to fund the payment.

If you choose to buy the lost pension by making a lump sum payment, you will be credited with the full amount of pension bought immediately.

If you choose to spread payment of the additional pension contributions over a number of complete years you will be credited with the full amount of lost pension bought if you complete the payments or if, before completing payments, you are retired on the grounds of ill health with an enhanced pension. In all other cases, if you cease payments early (either because you choose to cease making payments or because you cease membership of the pension scheme) you will be credited with the amount of lost pension you had bought at that time.

What if I have more than 1 pension account?

If you have more than one active pension account in the scheme (i.e. because you are in the pension scheme in more than one job) you must specify which job the lost pension is in respect of. If you wish to pay additional pension contributions for each job, you will have to submit separate applications to buy lost pension for each job.

What would happen when I retire?

Any lost pension bought increases the pension payable to you when you draw your pension. If you draw your pension before your Normal Pension Age (NPA) under the pension scheme the lost pension that has been bought will, unless retirement is on the grounds of ill health, be subject to a reduction (because you are drawing it early) and if you draw your pension after your NPA it will be subject to an increase (because you are drawing it late).

In the event of your death, no extra pension benefits will be payable to your dependants in respect of the extra pension bought (as the APCs buy extra pension for you only).

**Option to Pay Voluntary Contributions in respect of
Family, Unpaid Leave or Annual Leave Purchase**

**PLEASE RETURN PAGES 3 AND 4 OF THIS FORM TO YOUR EMPLOYER
(not to Norfolk Pension Fund)**

Employer	<input type="text"/>		
Member's Full Name	<input type="text"/>		
NI Number	<input type="text"/>	Payroll Ref	<input type="text"/>
Work Telephone	<input type="text"/>	Home Telephone	<input type="text"/>
Type of Leave	<input type="text"/>		
Date Returned To Work	<input type="text"/>		

Family (Maternity/Adoption) Leave
 During ordinary maternity leave or ordinary adoption leave you will pay contributions based on whatever reduced pay you actually receive, including any Statutory Maternity Pay (SMP), Statutory Adoption Pay (SAP), Occupational Adoption Pay (OAP) and Occupational Maternity Pay (OMP). This period will count normally for pension purposes.

However, any periods of unpaid Maternity or Adoption Leave you take will not count for pension purposes unless you pay voluntary contributions to cover it.

Unpaid Leave/Paternity Leave/Annual Leave Purchase
 If you want to count a period for pension purposes you will need to pay additional pension contributions. The contributions will be based on your age, gender and amount you wish to purchase.

More information
 Your employer will pay 2/3rds of the APC on your behalf if you opt within 30 days of returning to work. You can get more details from your Employer or HR department or from our website www.norfolkpensionfund.org.

Please tick option 1 or option 2

Option 1 – I do not wish to pay voluntary contributions to cover the period shown above. I understand this period will not count for pension purposes and it's not compulsory for my employer to contribute if I opt to pay at a later date.

Option 2 – I would like to see figures before I make a decision. Please provide me with a quotation before I decide.

Wet signature if paper copy otherwise input your email address in the 'Signed' box:

Signed **Date**

THIS SIDE IS FOR USE BY THE EMPLOYER, HR OR PAYROLL DEPARTMENT

Option time limits

Employers will contribute 2/3rds towards the cost if this form is completed within 30 days of returning to work or the official date of leaving. Otherwise employees meet the full cost themselves, unless the employer agrees to extend the time limit.

Instructions for Employers

- **Please check the payroll reference/assignment and NI numbers overleaf are correct.**
For employees paid on Norfolk County Council payrolls, in particular, check the suffix number is included and is correct and all relevant assignment numbers are shown if the member has more than one job.
- If the member has chosen **Option 2** then complete the details below. Options made after 30 days following return to work will not require contribution from Employers, however Employers could decide to extend the 30 day time limit. In which case please provide authorisation below.
- Return this option form to Norfolk Pension Fund who will forward a quotation to the member with a copy to the Employer.

Family Leave

Any period of paid leave counts as normal for pension purposes. Employers should substitute APP for Pensionable Pay during these periods.

Unpaid Leave or Paternity Leave

This leave will not count for pension purposes (unless an APC is paid).

Amount of Pay Lost £ This should be the amount of pay the member would have received had they not been on unpaid leave.

Period of Unpaid Leave From To

Option made within 30 days of returning to work (or ceasing employment)?

If No, has decision been made to extend the 30 day time limit?

I confirm I am authorised to complete this form on behalf of an Employer participating in the Norfolk Pension Fund

Wet signature if paper copy otherwise input your email address in the 'Signed' box:

Signed **Date**

Contact Name **Telephone**

**Employers should submit this form to NPF via i-Connect
(NCC send to PenDocs)**

**Employers not yet onboarded, post paper copy to:
Norfolk Pension Fund, County Hall, Martineau Lane, NORWICH. NR1 2DH**