

LONDON BOROUGH OF HACKNEY PENSION FUND

BUYING LOST PENSION (FOLLOWING A PERIOD OF AUTHORISED ABSENCE)



**A guide for members of the Local Government
Pension Scheme (LGPS)**



What is 'lost pension' & why use the 'buying lost' pension option?

If you are absent from work as a result of industrial action, authorised unpaid leave or unpaid additional child related leave, this period will **not** count towards your pension.

You can use this option if you wish to 'buy' back the pension that you have lost during this time. You can do this regardless of whether you are in the main or 50/50 section of the Scheme.

You can choose to 'buy' the lost pension by spreading the payments over a number of complete years (unless you are within 1 year of your Normal Pension Age) or by making a one-off payment. If you elect to cover the break within 30 days of returning to work (or such longer period as your employer may allow) your employer will meet two thirds of the cost, unless the absence is due to industrial action (see below).

What happens if I am granted a period of authorised unpaid leave?

If your employer allows you to take a period of **unpaid leave**, including jury service, the period 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 absence.

If you make an election pay APCs to purchase the amount of pension lost **within 30 days** of returning to work (or a longer period of your employer allows it), the cost will be split between you and employer.

What happens if I am on strike?

If you are away from work for a day or more due to a trade dispute, the period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost.

The cost of purchasing the amount of lost pension for the period of absence would be met fully by you (unless your employer voluntarily chooses to make a contribution to the APC).

How do I apply for an APC to buy back 'Lost' Pension?

To apply for an APC or to find out more, you must go to the national LGPS website: <https://www.lgpsmember.org/more/apc/index.php>. From here you can use the online calculator to work out how much it will cost you to buy back the lost pension each month, or by making a one-off lump sum. A screen-shot of the current modeller is shown below:-

Buy lost pension calculator

40%

Personal details

Gender

Select... ▼

Date of birth

dd/mm/yyyy



Lost Pensionable Pay (from employer) (£)



Reason for absence

Select... ▼



Section of scheme

Select... ▼



Payment details

You chose: Regular payment ▼

You can use this calculator in two ways – you either enter how much you want to pay or how much extra pension you want to buy.

☐ Choose how much I want to pay☐ Choose how much extra pension I want to buy

Amount (£)



Pay frequency

Select... ▼



Years (whole)



Back

Calculate

You will need to contact your employer, either their HR or payroll section to get a written statement of:

- The total assumed pensionable pay lost during the period of absence
- Confirmation from the employer that they will meet some of the cost i.e. 2/3rds, as per the regulations (providing the application is made within 30 days from the return to work date)
- Confirmation of the section of the scheme you were in during the period of absence, it may also be helpful if the employer confirmed the reason for absence and the start and end dates of the period of absence.



pensions@hackney

Your employer should provide the above information to you either on request or automatically at the end of the period of absence, remembering that you only have

30 days from returning to work to make the election, unless the employer chooses to extend this time limit.

Once you have decided you wish to buy back the 'lost' pension and are happy with the extra amount you will be paying in contributions, or lump sum, you must print the quote and application form from the website and send it to your employer to begin the deductions from your pay. Your employer should also notify the pension administrators that you have chosen to buy back a lost period so that your pension record is updated. It may also be to your benefit to double check your employer has done so.

FURTHER INFORMATION

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