



Additional pension contributions

Employees may need to take time away from work during their career. Special rules apply to protect their LGPS pension if they are on sick leave, child-related leave or reserve forces leave. They may be able to pay additional pension contributions (APC) to make up for pension 'lost' during unpaid absence.

The process

Step 1

Upon returning to work, the employee will need to initiate the process to buy back the lost pension from their unpaid leave. It is important that they apply within 30 days from the date they returned to work to ensure their employer will share the cost of purchasing the APC (1/3rd employee and 2/3rd employer). If the employee applies after 30 days, the cost of the APC could be at full cost to the employee (the employer may still contribute but is at their discretion). They will need to ask their payroll provider/employer for their lost pensionable pay during their unpaid leave.

Step 2

Once they have received details of their lost pensionable pay, they need to access the '[Buy lost pension calculator](#)' available on the LGPS Member website. The calculator will ask them a series of questions which they should complete. They will then be provided with the cost of purchasing the lost pension (this can differ depending on the length of time they wish to pay the contributions over). Example below.

Results

Yearly pension lost during absence	£ 244.90
Regular cost to you (before tax relief)	£ 31.41
Regular cost to your employer	£ 62.83
Total regular cost	£ 94.24
Years of agreement	3
Pension added to account each year of agreement	£ 81.63
Your age	52
Your Normal Pension Age (NPA)	67

Based on a regular cost of £38.48 per £100 of lost pension (before tax relief)

Step 3

If they want to proceed, they will need to [download and complete the application form](#) from the LGPS website.

Step 4

The member should then send this to East Sussex Pension Fund by post or via email – [contact details here](#).*

East Sussex Pension Fund will process the application and then contact the employer in order for deductions to commence.

Important note 1: If the member is applying outside of their 30 days of returning to work we would need confirmation from the employer that they are still sharing the cost (or if the cost is payable in full by the member).

Important note 2: Payroll deductions should not commence until ESPF have checked the application and confirmed deductions to make through the employer

More information on Additional Pension Contribution due to absence

Further information can be found on:

- LGPS member website – [If you are away from work.](#)
- Pages 38-43 of the [LGPS HR Guide.](#)

Further support

Email: employer.engagement@eastsussex.gov.uk

This factsheet is one of a series put together by East Sussex Pension Fund to help support employers with processing key tasks.



Employer Toolkit...

Pointing you in the right direction

You can view the full employer toolkit at:

<https://www.eastsussexpensionfund.org/about-the-scheme/employers/employer-toolkit/>