

## **Types of leave: Maternity, Paternity, Adoption, Sick & Unpaid Leave, Strikes and Jury Service**

You must tell us about these changes in employment as soon as possible by completing a **change form** (by hand or electronically).

### **\*IMPORTANT:**

In all cases where a member has a break in service, as highlighted below, but has the option to pay additional contributions in order to avoid a break in pensionable membership, the member should be informed **immediately** upon returning to work.

## **1. Maternity Leave**

### **a) Ordinary Maternity Leave**

#### **Employee contributions**

If a scheme member takes Ordinary Maternity Leave, you must deduct pension contributions on any maternity pay she receives. If she receives no pay during this Ordinary Maternity Leave period, for example, because she does not qualify for statutory pay, she will not have to pay any basic pension contributions, but the period will still count as membership under the pension scheme.

#### **Employer contributions**

An employer must pay pension contributions throughout any periods of ordinary maternity, adoption leave or statutory paternity leave, whether or not the employee actually receives any pay. The employer's contributions will be based on what the employee would have been earning had they been working normally.

### **b) Paid Additional Maternity Leave**

#### **Employee contributions**

During additional maternity leave, the employee must pay contributions on the maternity pay she receives. As Statutory Maternity Pay is now payable for 39 weeks, this will mean that contributions will be payable for at least the first 13 weeks of this period, apart from cases where the employee is not entitled to any Statutory Maternity Pay (SMP) or Occupational Maternity Pay (OMP).

#### **Employer contributions**

During any period of Additional Maternity Leave the employer must pay contributions based upon what the employee would have been earning had she been working normally.

### **c) Unpaid Additional Maternity Leave**

During any period of unpaid Additional Maternity Leave the unpaid period will not count for pension purposes unless an employee makes an election for it to count. Such an election has to be made within 30 days of returning to work or of ceasing employment if sooner\*.

The employer has discretion to extend this period. Where an election is made, the employee has to pay contributions based on the level of earnings

being received on the day before the unpaid period began, whereas the employer has to pay contributions on the notional full pay.

**d) Other additional contributions arrangements: AVCs, ARCs and added years (pre 2008)**

During any period of maternity leave, the employee must continue to pay any additional contributions that had elected to pay to purchase additional pension or pay into the in house AVC scheme, unless they elect not to do so.

**e) Keep in touch days**

Where an employee works on a keep in touch day (KIT day) during the ordinary maternity or adoption leave period, both the employee and the employer will pay contributions based on the pay the employee receives for that day. The day will count as membership.

**f) Maternity leave as part of the last year of employment**

If an employee has a period of maternity leave during the final year of employment, the final pay figure to be used for benefit calculation purposes is the amount of pay that would have been received if it was not for the maternity leave period.

**2. Paternity leave**

During any period of paid paternity leave, an employee must pay basic contributions on the pay actually received whereas the employer must pay contributions on the notional full pay. The service will count as normal for pension purposes.

During any period of unpaid statutory paternity leave the employee will be deemed to have paid basic contributions but the employer has to pay contributions on the notional full pay. The service will count as normal for pension purposes.

**3. Adoption leave**

**a) Paid adoption leave**

The employee must pay basic pension contributions on the pay actually received whereas the employer has to pay contributions on the notional full pay.

**b) Unpaid ordinary adoption leave**

The employee will be deemed to have paid basic pension contributions but the employer has to pay contributions on the notional full pay. The service will count as normal for pension purposes.

**c) Unpaid additional adoption leaver**

The unpaid period will not count for pension purposes unless the employee makes an election for it to count. Such an election has to be made within 30 days of returning to work or of ceasing employment if sooner\*. The employer has discretion to extend this period. Where an election is made, the employee has to pay contributions based on the level of earnings being

received on the day before the unpaid period began whereas the employer has to pay contributions on the notional full pay.

**d) Adoption leave as part of the last year of employment**

If an employee has a period of adoption leave during the final year of employment, the final pay figure to be used for benefit calculation purposes is the amount of pay that would have been received without the adoption leave period.

**4. Leave of Absence (Any period resulting in a break in service)**

Contributions should be deducted from the first 30 days of any period of absence\*. Upon returning to work, the scheme member should be given the opportunity to avoid a break in membership by paying back the "missed" contributions. The regulations state that a scheme member should make an election to pay back contributions within thirty days of returning to work. An employer discretion, and one for which a policy decision should be made (as on our template), is to extend that thirty day period. The period over which the scheme member can pay back the contributions should be agreed between the employee and the employer.

**5. Sick Leave**

**Unpaid sick leave**

The member will accrue pensionable service as normal. Neither employee nor employer contributions are due.

**Paid sick leave**

The member will accrue pensionable service at the same rate as immediately prior to the period of sick leave, while both employee and employer contributions will be deducted based on what percentage of pay they receive. E.g. If they are paid 100% of pay, their contributions will be paid as normal. E.g.2. If they are paid 50% of their normal pay, only 50% of the normal contribution amounts are due, but they still accrue pensionable service as normal.

**6. Strikes or Trade disputes**

To avoid the loss of membership for any day's strike, a scheme member can make a contribution to avoid a break in pensionable membership for the strike period. The contribution rate payable is 16% of the lost pay, being the difference between the member's actual pay (if any) and the pay that would normally have been received but for the trade dispute.

**7. Reserve Forces Service leave**

Where a scheme member is on reserve forces service leave he or she is deemed to have paid contributions for the period of that leave and therefore retains full scheme membership unless during the period of leave his or her reserve forces service pay equals or exceeds the pay he or she would normally have received. In such a case the member must continue to pay contributions, standard and additional if any, in order to retain full scheme membership.

**8. Jury service**

Employee contributions should continue to be deducted from any member who is called to attend jury service and employer contributions should continue be sent across in the now way.