



Firefighters' Pension Scheme 2015

Leave of Absence Form
Completion Notes

April 2018

Rate of Member Contributions:

The contributions rates for the current scheme year (1 April 2018 to 31 March 2019) are:

Pensionable pay range	Contribution rate
Up to £27,818	11.0%
£27,819 to £51,515	12.9%
£51,516 to £142,500	13.5%
£142,501 or more	14.5%

Pensionable Pay:

An active member of the scheme must pay pension contributions to this scheme based on their annual pensionable pay for that employment, with the appropriate percentage contribution rate applying for those earnings. If, during the course of scheme year, there is a change in the member's employment, or a material change that affects the member's pensionable pay, the scheme manager may determine that a change to the contribution rate is necessary, subject to the member being notified beforehand.

The amount of pensionable pay for a retained or volunteer firefighter (for column 1 of this table) must be their 'reference pay' (defined as the whole-time equivalent pensionable pay for that period of a regular firefighter employed in a similar role and with equivalent qualifying service).

Similarly, the amount of pensionable pay for a part-time regular firefighter must be the whole-time equivalent pensionable pay of a regular firefighter of equivalent role and length of service.

Reductions in Pensionable Pay:

The following reductions in pay can be ignored for the purposes of identifying the appropriate contribution rate:

- Absence from work whilst in receipt of any statutory entitlement
- Child-related leave
- Authorised absence
- Sick leave
- Reserve forces service leave
- Absence due to a trade dispute
- Other circumstances specified by the scheme manager.

Special consideration, however, needs to be given to the calculation of the member's pension for a scheme year where pay has been affected, either by a reduction in pay or a period of nil pay.

'Assumed Pensionable Pay' applies in these instances: in certain cases it is applied automatically, and in others it applies only if the appropriate contributions have been paid to the scheme manager.

Assumed Pensionable Pay:

In the circumstances listed above, applying 'Assumed Pensionable Pay' protects the member's pension entitlement during a period of reduced / nil pay as it represents the pensionable pay the member would have received if the circumstance didn't occur.

Circumstances where Assumed Pensionable Pay should automatically apply and the impact on the member's contributions:

- Where the member is on reduced pay (due to sickness leave, or child-related leave relating to ordinary maternity leave, paternity leave or ordinary adoption leave), the member's usual contribution percentage rate should be applied against actual pay received. At year-end, you will regard the member as having received Assumed Pensionable Pay for the period (i.e. the reduction in pay will be ignored for pension benefits purposes)
- Child-related absences that relate to ordinary maternity leave, paternity leave or ordinary adoption leave, where the member is not entitled to any pay (including statutory pay) during the period of absence, will be credited with Assumed Pensionable Pay for the period **and treated as having paid their contributions**
- Where the member is absent because of being called / recalled under the Armed Forces Act 1996, they will be regarded as receiving Assumed Pensionable Pay in FPS 2015 unless they become a member of either the Armed Forces Pension Scheme, or another occupational pension scheme, during the period. They will continue to pay their usual contribution rate on the lesser of Assumed Pensionable Pay for the period, and any additional payments you may pay the member.

Where membership of FPS 2015 continues for members on Reserve Forces leave, they will continue to contribute on the lower of their Reserve Forces pay or their police rate of pay received at the point of call-up.

In each case, the employer will continue to pay contributions on the member's annualised pay ignoring any reduction.

Circumstances where Assumed Pensionable Pay applies if the member opts to pay contributions for a period of unpaid leave:

Where an active member of the scheme returns from a period of:

- Additional adoption leave
- Additional maternity leave
- Parental leave or shared parental leave
- Absences following a trade dispute
- Authorised leave of absence (of up to 5 years); or
- Unpaid leave due to illness or injury, with no entitlement to pensionable pay (including statutory pay).

they must be given the option* to pay their usual contribution rate on:

- the Assumed Pensionable Pay, equating to the amount of pay immediately received before the pay ceased (in the case of unpaid leave due to illness or injury)

- the Assumed Pensionable Pay, equating to the amount of pay the member would have received were it not for the absence (in cases of absences due to trade disputes / authorised leave of absences / additional child-related leaves of absence)

It is the scheme manager's responsibility to calculate the contributions payable and notify the member. There is a 'Leave of Absence' form available for this purpose.

As the employer, you can also require the member to pay the employer's contribution rate in addition to theirs.

* - the regulations only quote a timescale for the member to elect to repay contributions in cases of unpaid child-related leave. In such cases, the member's election **MUST** be made by the earlier of:

- 30 days from their return to work; and
- The member's last day of pensionable service.

For administrative ease, you may want to adopt a similar 30-day timescale for the other scenarios shown above. XPS Administration have created an election form for you to advise the member of the contributions due, and to obtain their wishes as to whether they wish to proceed.

The member can repay the contributions due either by lump sum or periodic contributions, but in either case the full amount must be paid within 6 months of the member's return to work (or some longer period that you agree with the member). If the member doesn't return to work following the absence, but still wants to repay the contributions to buy back the lost pension, you could again agree the timescale between you (which may include immediate payment due to them leaving the payroll).

Treatment of periodical payments during periods of APP, where additional pension is being bought:

If the member was buying additional pension benefits by periodic payments, when the circumstance occurs that causes them to be in receipt of reduced / nil pay, or treated as receiving APP, the member needs to be given the option regarding their additional pension periodical contributions; should these stop during this period, or continue as normal (i.e. as if they were receiving their full rate of pay during the period).

In circumstances where the member is receiving statutory maternity pay or is on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave the member needs to be given the option regarding their additional pension periodical contributions; should these stop during this period, or pay the periodical payments at some other amount determined by reference to the member's actual pay during that period.

The treatment of any periodical contributions needs to be agreed between you and the member at the outset. XPS Administration's option form regarding the paying back of any contributions (given to the member when they return to work), makes reference to additional pension periodical contributions, but will only be relevant where the member opted to stop their contributions and seeks the member's wishes as to whether they want to (1) resume their periodical contributions and (2) pay the aggregate contributions that would have been paid had the circumstance not arisen.

The option form needs to be given to the member as soon as they return to work as the decision to resume any stopped contributions needs to be made within 1 month of the APP or reduced pay ending, with the resumed additional pension periodical contributions deducted commencing in

the next pay period. Any aggregate contributions can be spread over the 6 months from when the member returned to work (or some other period that you agree to, as explained previously).

Employer Contributions for a period of Unpaid Leave:

Your employer contribution rate will only be due where the member elects to pay their contributions to reinstate their pension benefits for the absence period. Your rate is currently 14.3% and this would be applied to the Assumed Pensionable Pay identified for the period. You can, however, require the member to pay this in addition to their own contributions.

How to calculate contributions for periods of Unpaid Leave and complete the Employer's section of the Leave of Absence Form (for FPS 2015):

Please confirm the officer's details by providing:

- Surname
- First Name(s)
- Role
- Date of Birth
- NI Number
- Payroll Number
- Address and Postcode

We will then need to know the reason for the unpaid absence, along with the actual period (from the first day of unpaid leave to the final day, inclusive).

You must determine the amount of Assumed Pensionable Pay during the period of unpaid leave, which will then allow you to calculate the pension that the member would have accrued during that period:

Assumed Pensionable Pay during the unpaid period of absence / 59.7* = Lost Pension

* where 59.7 is the accrual rate in FPS 2015.

The cost of buying back this lost pension can be calculated by taking the Assumed Pensionable Pay for the unpaid period, and multiplying this by the contribution rate (as shown in the table on page 2), as follows:

Assumed Pensionable Pay during the unpaid period of absence x member's contribution % = Total member contribution

Should the member wish to pay this in instalments rather than as a lump sum, you must calculate the cost of each instalment, but remember the contribution must be paid no later than 6 months of the member's return to work (or some other period that you agree with the member, including immediately if they don't return to work).

If you require the member to pay the employer's contribution as well as their own, a similar calculation can be done to calculate this:

Assumed Pensionable Pay during the unpaid period of absence x 14.3% (employer's contribution %) = Total employers contribution

The form must then be authorised by an individual we recognise as an authorised signatory once the officer has indicated their wishes (and confirmed how they wish to pay the contributions due) and returned the form to you.

Finally, where the member was also making periodical contributions to buy additional pension, and the member decided to stop their contributions during the period of APP, you will need to perform a similar calculation to include the aggregate of those contributions, where the member indicates they want to pay these back.