



## Bulletin 9: Coronavirus (Covid-19)

### FAQ's for Scheme Employers

#### Emergency Volunteering Leave, Secondment & Reserve Forces Leave

##### **What employee and employer contributions are payable if a member takes Emergency Volunteering Leave EVL?**

*Employer pension contributions will be based on assumed pensionable pay (APP). Employee pension contributions will be based on the amount of the employee's actual pay during emergency volunteering leave. All scheme discretions (administering authority and employing authority) should operate in the same way as if the member were receiving normal pay.*

##### **If an active scheme member is seconded as part of the emergency staffing, how does this affect their pension benefits?**

*If any LGPS members are seconded on emergency staffing to the NHS, their pension benefits continue on the same basis as before the secondment.*

##### **What happens when a member is on reserve forces leave?**

*The Ministry of Defence (MOD) expects to mobilise up to 3,000 armed forces reservists to assist in the Government's COVID-19 response. LGPS members on reserve forces leave can choose to remain in the LGPS. If an employee chooses to remain in the LGPS, their contributions will be based on Assumed Pensionable Pay (APP).*

*The employer must tell the MOD the APP figure, the amount of basic employee and employer contributions that must be paid and details of any additional contributions the member is paying. The MOD will pay the contributions to the administering authority. Any payments made by the employer to a member who is on reserve forces leave are non-pensionable.*

## Furloughed staff

### **Who are Furloughed staff?**

*Employees who are being paid under the Government's Coronavirus Job Retention Scheme are referred to as furloughed staff.*

### **Is furlough pay pensionable?**

*Yes, furlough pay is pensionable pay under the regulations. Employee and employer contributions should be deducted based on the actual pay the furloughed employee receives. Assumed Pensionable Pay does not apply.*

### **How will furlough pay affect pension build up?**

*Members will continue to build up CARE pension based on the actual pay they receive. If the furlough pay is less than their normal pay (because the employer chooses not to top up pay to 100%), the pension they build up will also be less. They can choose to buy additional 'extra' pension to make up for the pension lost during this period. The employer is not obliged to split the cost with the member but can choose to.*

*Final salary benefits are usually calculated using the pensionable pay earned in the year before leaving the scheme; however, one of the two previous years' pay is used, if higher. This should prevent final salary benefits from being detrimentally affected if the member's pay is reduced due to being on furlough.*

### **When determining the employee contribution rate, should furlough pay be used?**

*Yes, if furlough pay forms all or part of a member's pensionable pay it should be used to determine the employee contribution rate .*

Hopefully this will have answered some of the questions you may have had, but please do not hesitate to contact the pensions section if you have any other questions by emailing [pensions@leics.gov.uk](mailto:pensions@leics.gov.uk) or ringing any of the following numbers 0116 3057652, 3056945 or 3057654.

Regards Ian Howe Pensions Manager