

# LGPS Payroll Guide

## Contents

<b>About this guide.....</b>	<b>3</b>
<b>1. Data .....</b>	<b>4</b>
<b>2. Records.....</b>	<b>8</b>
<b>3. Sections .....</b>	<b>10</b>
<b>4. Cumulative pensionable pay (CPP1 and 2) .....</b>	<b>15</b>
<b>4.1 Pensionable pay.....</b>	<b>16</b>
Meaning of pensionable pay (non-councillors) .....	16
Pensionable pay in the 2009 Scheme (non-councillors) .....	18
Pensionable pay (councillors).....	19
Backdated payments .....	19
Pensionable pay and salary sacrifice.....	19
Buying extra leave .....	20
<b>4.2 Assumed Pensionable Pay .....</b>	<b>22</b>
APP Calculation.....	22
APP and separate employments .....	25
Proportioning .....	25
Adjusting the APP figure .....	27
The 50/50 rule.....	27
Exceptions to 50/50 rule for short periods of sickness.....	28
50/50 and child related leave .....	29
End of APP accrual.....	29
APP for ill health retirement or death in service.....	30
<b>4.3 Certificates of Protection .....</b>	<b>31</b>
<b>5. Cumulative contributions.....</b>	<b>32</b>
<b>5.1 Cumulative employee contributions (CEC1 and CEC2) .....</b>	<b>32</b>
Contribution rates .....	32

Appropriate contribution bands .....	33
50/50 section contributions .....	35
Contributions during periods of reduced or nil pay.....	36
Pay received on or after the day before 75 .....	36
Sickness absence and the 50/50 section.....	37
Child related leave and the 50/50 section.....	38
KIT / SPLIT days.....	38
<b>5.2 Cumulative employer contributions (CRC).....</b>	<b>40</b>
<b>5.3 Cumulative additional contributions (CAC, CARC) — per job...41</b>	
Additional Pension Contributions (APC) .....	41
Additional Voluntary Contributions .....	44
<b>6. 2009 Scheme data.....</b>	<b>49</b>
<b>6.1 Final pay.....</b>	<b>49</b>
Retention of payroll data.....	51
<b>6.2 Changes in contractual hours, weeks or days per year.....</b>	<b>52</b>
<b>6.3 Breaks in membership.....</b>	<b>52</b>
<b>6.4 Existing additional pension contracts .....</b>	<b>54</b>
Additional Voluntary Contributions .....	54
Additional regular contributions (ARCs).....	56
Added years contracts .....	57
Preston part-time buy-back contracts .....	58
Additional Survivor Benefit Contributions (ASBCs) for cohabitee survivor's pension .....	59
<b>7. The underpin .....</b>	<b>61</b>
<b>8. Payments in respect of a period before 1 April 2015.....</b>	<b>62</b>
<b>9. Monthly payover of contributions .....</b>	<b>63</b>
<b>10. End of year template report .....</b>	<b>66</b>
<b>11. Glossary of acronyms .....</b>	<b>71</b>
<b>12. Disclaimer.....</b>	<b>73</b>

## About this guide

This guide explains what payroll teams need to do for the Local Government Pension Scheme (LGPS) 2015 in Scotland, effective from 1 April 2015.

It applies to both employees and councillors, unless the LGPS regulations specify different treatment for councillors—in which case, we make that clear. Throughout the guide, the term employee refers to both employees and councillors unless stated otherwise.

This guide is provided in addition to, and does not replace, any requirements agreed with the LGPS administering authority.

In this guide, we refer to the career average scheme as 'the 2015 Scheme' and the final salary scheme as 'the 2009 Scheme'.

Councillors did not receive final salary benefits under the 2009 Scheme. Their benefits were calculated using career average pay. On 1 April 2015, councillors also transitioned from the 2009 Scheme to the 2015 Scheme.

**Important:** The examples in this guide are provided for illustration only and do not override any regulatory or statutory requirements.

## 1.Data

Employers must hold the following data so that it can be made available to pension administrators within three months of the end of each Scheme year or on termination of Scheme membership, in respect of each job. The Scheme year runs from 1 April to 31 March.

Sometimes, further pensionable payments will be made after termination of Scheme membership in a job. If this happens after data has already been submitted to the LGPS administering authority, the employer will need to supply:

- revised data if the payment is made in the same year the employee left, or
- new data if the payment is made in a later year.

In both cases, the employer should also tell the LGPS administering authority the date the further payment was made.

Termination of Scheme membership in a job occurs when:

- the employee opts out of the Scheme in that job,
- the employee's employment in a job ends,
- the employee attains age 75, or
- the employee otherwise ceases to be eligible for the LGPS in that job.

The employer must notify the administering authority when any of these events occur.

**Note:** termination does not occur when an employee moves jobs in the same employment. See the definition of single employment relationships in [section 2](#).

Where an employee holds more than one job with the employer, each of the fields in the table below must be held per job.

**Table 1: 2015 Scheme data and definitions**

2015 Scheme Data	Definition
Main section Cumulative Pensionable Pay (CPP1)	Total pensionable pay <sup>1</sup> (PP) and/or Assumed Pensionable Pay (APP) in the main section for the Scheme year (1 April to 31 March)
Main section cumulative employee's contributions (CEC1)	Total employee's contributions in the main section for the Scheme year
50/50 section Cumulative Pensionable Pay (CPP2)	Total pensionable pay <sup>1</sup> (PP) and/or Assumed Pensionable Pay (APP) in the 50/50 section for the Scheme year
50/50 section cumulative employee's contributions (CEC2)	Total employee's contributions in the 50/50 section for the Scheme year
Cumulative additional employee's contributions (CAC) per type ie: <ul style="list-style-type: none"> <li>Additional Pension Contribution (EAPC)</li> <li>Additional Voluntary Contribution (EAVC)</li> </ul>	Total additional employee's contributions for the Scheme year, per type: <ul style="list-style-type: none"> <li>Additional Pension Contribution (EAPC): both where the whole cost is to the employee and also the employee element of a Shared Cost APC</li> <li>Additional Voluntary Contribution (EAVC): includes:               <ul style="list-style-type: none"> <li>non-life assurance (whole cost to employee),</li> <li>life assurance (whole cost to employee), and</li> <li>employee element of Shared Cost AVC for life assurance, pension salary sacrifice, or other part cost to the employee</li> </ul> </li> </ul>

<sup>1</sup> Including the value of emoluments specified in the contract of employment as being pensionable emoluments. This includes the pensionable emolument value of salary sacrificed for such items as childcare vouchers, and for pension contribution salary sacrifice via a Shared Cost AVC arrangement. Where a member was on reduced pay / nil pay authorised leave (other than by reason of illness) for a continuous period of less than 31 days and continued to pay contributions on the pensionable pay the member would have received but for the leave ("notional pensionable pay"), 'pensionable pay' for that period is that notional pensionable pay (rather than the actual pay (if any)).

2015 Scheme Data	Definition
Cumulative employer's contributions (CRC)	Total employer's contributions in both sections for the Scheme year
Cumulative additional employer's contributions (CARC) per type ie: <ul style="list-style-type: none"> <li>Additional Pension Contribution (RAPC)</li> <li>Shared Cost Additional Voluntary Contribution (RAVC)</li> </ul>	Total additional employer's contributions for the Scheme year, per type: <ul style="list-style-type: none"> <li>Additional Pension Contribution (RAPC): employer element of a Shared Cost APC</li> <li>Shared Cost Additional Voluntary Contribution (RAVC): employer element of a Shared Cost AVC for life assurance, pension salary sacrifice, or other part cost to the employer</li> </ul>
Dates of active membership during the Scheme year	Either the date of: <ul style="list-style-type: none"> <li>the beginning of the Scheme year, or</li> <li>becoming an active member of the Scheme in the employment during the Scheme year, if later plus, the date:               <ul style="list-style-type: none"> <li>of the end of the Scheme year, or</li> <li>active Scheme membership ended during the Scheme year, if earlier</li> </ul> </li> </ul>
Section of the Scheme	Section of the Scheme the employee was a member of in the employment at the end of the Scheme year or on the date of leaving active membership in the employment

The section of the Scheme may be used by the administering authority to produce pension estimates or projections for annual benefit statements.

Employers must continue to supply 2009 Scheme data:

FTE final pay: Full time equivalent pensionable pay for the employment for the Scheme year. This is also required for years ending on 5 April for members affected by the annual allowance.

The above table shows the data required to administer the 2015 Scheme. It does not replace or remove the requirement for other data being supplied to your LGPS administering authority to enable them to administer the Scheme, such as personal

details and unique identifiers. See [section 6](#) for more information on data needed to administer the 2009 Scheme.

## 2. Records

Employers must maintain separate records of cumulative amounts for each job an employee holds, unless they determine that a single employment relationship exists. This is the same requirement as under automatic enrolment legislation.

Under the 2015 Scheme, pensions are calculated on a year-by-year basis. This means that maintaining separate records is essential to ensure accurate pension calculations.

Examples of when an employer may determine that a single employment relationship exists are:

- concurrent employments where ending one job automatically ends the other
- sequential employments with no break in service (for example a promotion or role change).

If a single employment relationship does not exist, separate records will be required for each job. This is necessary to determine correctly the amount of pension accrued in each year for each job.

If separate employment relationships exist and the person is being paid on a timesheet claim, that timesheet design must include information that identifies which hours relate to which job.

### **Example 1: Concurrent employment**

An employee has two concurrent part time jobs with the same employer who has not informed payroll that a single employment relationship exists. Two records should be held for this employee and the data should be supplied to the LGPS administering authority as two lines of data both identifiable as the employee (eg by NI number) and each uniquely identified as different jobs (eg by post / payroll number). If one of the jobs ends, this should be treated as a leaver for pension purposes. The employer would need to supply data in respect of that leaver to the LGPS administering authority.

### **Example 2: Promotion**

An employee is promoted to a new job and no termination of employment notice has been received by payroll. The monthly and end of year data should be supplied to the LGPS administering authority as a single set of cumulatives which includes amounts from both jobs.

If an employee's job includes additional duties as a returning officer (or acting returning officer) at local government elections, elections for the Scottish Parliament or UK Parliamentary elections, a separate record must be maintained for the additional duties.

**Example 3: Additional duties**

An employee has additional duties as a returning officer besides their main duties. Two records should be held for this employee and the data should be supplied to the LGPS administering authority as two lines of data.

### 3. Sections

The 2015 Scheme contains two sections: the main section and the 50/50 section. The data requirements for both sections are the same apart from the employee contribution calculation. In the 50/50 section, the employee contribution is half that which would be due in the main section. See [section 5](#) — cumulative contributions.

If an employee has more than one job with an employer, the employee can be in the main section in one job and the 50/50 section in another job.

**Important:** If a member joins the 50/50 section, the employer contribution is still the normal full contribution rate not half.

An employee cannot make a valid election to join the 50/50 section before:

- commencing employment
- the date their LGPS membership is due to start, if they are being automatically enrolled or re-enrolled, or
- joining the Scheme as a result of making an election to join.

In the absence of a 50/50 election before the payroll has been closed:

- a new employee,
- an existing employee commencing a new employment for which a separate record is required (see [section 2](#)), or
- an optant out electing to join the Scheme or being automatically enrolled or re-enrolled

should be put into the main section.

The following circumstances may lead to a change of section during the Scheme year:

- The employee elects to move from the main section to the 50/50 section (or vice versa) from the beginning of the next available pay period following the election.
- The employee is in the 50/50 section and goes on to no pay due to long-term sickness or injury. The employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time.
- The employee is in the 50/50 section and goes on to no pay during ordinary maternity leave, ordinary adoption leave, parental bereavement leave or

paternity leave. The employee must be moved back into the main section from the beginning of the next pay period.

- If the employee is in the 50/50 section, they must be moved back to the main section from the beginning of the pay period following the employer's 'automatic re-enrolment date'. This would happen irrespective of what category of worker they are for the purposes of the Pensions Act 2008.

Both the main section and the 50/50 section of the LGPS are 'qualifying schemes' for automatic enrolment purposes.

If the employee is automatically moved back to the main section, they will have the right to make a further 50/50 election. If they do so before the payroll is closed, they would have continuous 50/50 membership.

**Important:** Those terms in quotation marks in the text above are to be construed in accordance with the Pensions Act 2008.

For more information on automatic enrolment and the LGPS, please read the 'Automatic enrolment — Technical guide', which you can find on the '[Employer guides and documents](#)' page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

The dates an employee joined and ended membership of a section must be held per job, as specified in the table in [section 1](#).

Separate cumulative amounts for pensionable pay and employee contributions should be maintained for each section. It is not necessary to maintain separate cumulative amounts for employer's contributions per section (other than as specified in the table in [section 1](#)).

If a member moves to the 50/50 section:

- Any existing Additional Pension Contribution (EAPC) contract which is at whole cost to the employee to buy **extra** pension must stop.
- Any Shared Cost Additional Pension Contribution (EAPC / RPAC) contract to buy **extra** pension must stop.
- Any AVC (EAVC) or Shared Cost AVC (EAVC / RAVC) contract continues unless the member elects to terminate the contract.
- An existing Shared Cost Additional Pension Contribution (EAPC / RAPC) contract to buy **lost** pension continues if it is to purchase an amount of pension 'lost' due to:

- a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave, or
- any other period of unpaid authorised leave of absence continues, unless the member elects to end the contract.
- Any existing Additional Pension Contribution (EPAC) contract which is at whole cost to the employee to buy **lost** pension continues if it is to purchase an amount of pension ‘lost’ due to:
  - a trade dispute,
  - a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave<sup>2</sup>, or
  - any other period of unpaid authorised leave of absence<sup>2</sup> continues, unless the member elects to end the contract.

On moving to the 50/50 section, any existing contributions to:

- an AVC / SAVC,
- an APC to purchase an amount of pension ‘lost’ due to a trade dispute, due to a period of authorised leave of absence or due to a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave where the member is paying the full cost of the APC,
- a SCAPC to purchase an amount of pension ‘lost’ during a period of authorised unpaid leave of absence or during a period of unpaid additional maternity leave, additional adoption leave, parental bereavement leave or shared parental leave, or
- an additional regular contribution (ARC), added years, Preston part-time buy-back, or additional survivor benefit contribution (ASBC) contract / arrangement in force before 1 April 2015 — see [section 6.4](#).

are not reduced to half rate. The contributions under such contracts / arrangements continue to be paid in full.

---

<sup>2</sup> ie the member made an APC election more than 30 days (or such longer period as the employer allowed) after returning from a period of authorised leave of absence or period of unpaid additional maternity leave, additional adoption leave, parental bereavement leave or shared parental leave, thereby missing the deadline for the employer to compulsorily contribute to a Shared Cost APC, or the APC is to cover a period of absence beyond 36 months.

A member in the 50/50 section generally cannot commence payment of an Additional Pension Contribution (EPAC) contract which is at whole cost to the employee. They can commence an EAPC contract if it is to purchase an amount of pension 'lost' due to a trade dispute, a period of authorised leave of absence or due to a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave where the member is paying the full cost of the APC.

A member in the 50/50 section can only commence payment of a Shared Cost Additional Pension Contribution (EAPC / RAPC) contract to purchase an amount of pension 'lost' during a period of authorised unpaid leave of absence or during a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave.

A member in the 50/50 section can commence payment of an AVC (EAVC) or Shared Cost AVC (EAVC / RAVC) contract.

A member in the 50/50 section can commence payment of Preston part-time buy-back contributions.

If a member moves to the main section:

- any existing Additional Pension Contribution (EAPC)
- any Shared Cost Additional Pension Contribution (EAPC / RAPC) contract
- any AVC (EAVC) or Shared Cost AVC (EAVC / RAVC) contract
- any additional regular contributions (ARC) contract
- any added years contract
- any additional survivor benefit contributions (ASBC) contract

must continue, unless the member elects to terminate the contract. Any Preston part-time buy-back contributions must continue.

A member in the main section can start:

- an Additional Pension Contribution (EAPC) contract which is at whole cost to the employee
- a Shared Cost Additional Pension Contribution (EAPC / RAPC) contract
- an AVC (EAVC) or Shared Cost AVC (EAVC / RAVC) contract
- Preston part-time buy-back contributions.

**Important:** Councillor members cannot pay Shared Cost Additional Pension Contributions or Shared Cost AVCs.

#### **Example 4: Opting for the 50/50 section**

A monthly paid employee opts for the 50/50 section on 29 June (after the June payroll has closed). The payroll must be amended to show the employee in the 50/50 section from the July pay period.

Movements between sections are unique to each job unless a single employment relationship exists; in which case, movements will apply across all of the jobs in that relationship.

#### **Example 5: 50/50 and multiple employments**

An employee with two concurrent jobs opts for the 50/50 section. If no single employment relationship exists, the employee may opt to be in the 50/50 section in either or both jobs. If a single employment relationship exists, the option applies to both jobs.

#### **Example 6: 50/50 and promotion**

An employee finishes one job and starts another without any notification that employment has ended. This may happen when they are promoted with the same employer. If the employee had opted for the 50/50 section in the first job, that option should be carried forward to the second job. If a notification was received from the employer that employment has ended, the jobs should be treated as a termination and a new starter and the employee put into the main section in the new job.

In monthly or year end data submissions, and at the date of leaving, employers should confirm to the administering authority which section the member was in. Each employer must determine the most effective method to achieve this, which may involve the payroll system holding these dates.

## 4. Cumulative pensionable pay (CPP1 and 2)

The cumulative pensionable pay (PP) and / or assumed pensionable pay (APP) is the pay that counts towards the member's pension in each section of the Scheme in a Scheme year. It includes the value of emoluments specified in the contract of employment as being pensionable emoluments, such as the pensionable value of salary sacrificed childcare vouchers, and for pension contribution salary sacrifice via a Shared Cost AVC arrangement.

Where a member was on reduced pay / nil pay authorised leave (other than by reason of illness<sup>3</sup>) for a continuous period of less than 31 days and continued to pay contributions on the pensionable pay the member would have received but for the leave ("notional pensionable pay"), pensionable pay for that period is that notional pensionable pay (rather than the actual pay (if any)).

The cumulative pensionable pay must be provided separately for each job and for each section, as different accrual rates will apply when calculating the pension in each section. If the employee moves between sections more than once in a Scheme year, there is no requirement to differentiate cumulatives between different periods in the same section. The dates the member was in each section may need to be provided to the LGPS administering authority. The cumulative amounts should contain all of the PP and/or APP in each section during the year.

### **Example 7: Cumulative pay and the 50/50 section**

An employee opts for the 50/50 section three months into the Scheme year when the accrued CPP1 is £3,000. The employee spends six months in the 50/50 section accruing £6,000 in CPP2, then opts back into the main section for the final three months of the year accruing a further £3,300 in CPP1.

The cumulatives at the end of the Scheme year are CPP1 £6,300 and CPP2 £6,000.

---

<sup>3</sup> The regulation only explicitly refers to excluding "sick leave". However, we believe that trade dispute dispute leave and leave protected by Assumed Pensionable Pay should also be excluded.

## 4.1 Pensionable pay

Pensionable pay refers to the elements of an employee's earnings that are used to determine both the contributions paid into the LGPS and, in most cases, the pension benefits the employee will ultimately receive.

In the 2015 Scheme, pensionable pay includes all payments made to an employee, except for specific exclusions. It also includes any benefits explicitly stated in the employee's contract as pensionable.

The LGPS (Scotland) Regulations 2018 define pensionable pay as follows:

### Meaning of pensionable pay (non-councillors)

20. (1) Subject to regulation 21 (assumed pensionable pay), an employee's pensionable pay is the total of—

- a) all the salary, wages, fees and other payments paid to the employee; and
- b) any benefit specified in the employee's contract of employment as being a pensionable emolument.

(2) But an employee's pensionable pay does not include—

- a) any sum which has not had income tax liability determined on it;
- b) any travelling, subsistence or other allowance paid in respect of expenses incurred in relation to the employment;
- c) any payment in consideration of loss of holidays;
- d) any payment in lieu of notice to terminate a contract of employment;
- e) any payment as an inducement not to terminate employment before the payment is made;
- f) any amount treated as the money value to the employee of the provision of a motor vehicle or any amount paid in lieu of such provision;
- g) any payment in consideration of loss of future pensionable payments or benefits;
- h) any award of compensation (excluding any sum representing arrears of pay) for the purpose of achieving equal pay in relation to other employees;
- i) any payment made by the Scheme employer to a member on reserve forces service leave;
- j) payments for non-contractual overtime;
- k) the amount of any supplement paid to an employee whose employment was transferred on 1<sup>st</sup> April 2010, under a staff transfer scheme, from the Scottish Administration to Learning and Teaching Scotland, in recognition of the

difference in contribution rates between members of the principal civil service pension scheme and the Scheme;

- I) the amount of any supplement paid to an employee whose entitlement to a pension was transferred on 1st May 2010 from the SDS Scheme to the Scheme, in recognition of the difference in contribution rates between members of the SDS Scheme and the Scheme;
- m) the amount of any supplement paid to an employee whose employment was transferred on 1<sup>st</sup> October 2008, under a staff transfer scheme, from the Scottish Legal Services Ombudsman to the Scottish Legal Complaints Commission in recognition of the difference in contribution rates between members of the principal civil service pension scheme and the Scheme;
- n) the amount of any supplement paid to an employee whose employment was transferred on 1st April 2011, under a staff transfer scheme, from the Scottish Administration to Social Care and Social Work Improvement Scotland, in recognition of the difference in contribution rates between members of the principal civil service pension scheme and the Scheme;
- o) returning officer, or acting returning officer fees other than fees paid in respect of—
  - (i) local government elections,
  - (ii) elections for the Scottish Parliament,
  - (iii) Parliamentary elections, or
  - (iv) European Parliamentary elections.

The reference in (j) to “payments for non-contractual overtime” relates to non-contractual hours worked in excess of the standard full-time working week for the employee in that employment. Such hours will be non-pensionable. However, hours worked in excess of contracted hours up to the hours of the standard full-time working week for the employee in that employment will be pensionable, as will contractual overtime worked in excess of the standard full-time working week for the employee in that employment.

### **Supplements paid in recognition of contribution rate differences**

In addition to the exclusions listed in the 2018 regulations, LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014 also exclude any supplement paid to an employee in recognition of contribution rate differences between the principal civil service pension scheme and the 2009 or 2015 Schemes. This would, for example, cover such a supplement paid to a member who is employed by the Scottish Environment Protection Agency as a result of a relevant statutory transfer and who, immediately before the transfer, was a pensionable civil servant.

## Provision of a motor vehicle

Despite the exclusion of the value or cash equivalent of a provided motor vehicle (entry (f) above), The LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014 also provide that such amounts remain pensionable if an employee's pensionable pay at both 31 December 1992 and 31 March 1998 included an amount treated as the money value to the employee of the provision of a motor vehicle or any amount paid in lieu of such provision.

The relevant amount remains pensionable until such time as:

- the member leaves employment with the employer who was employing them on 31 December 1992 (unless they were compulsorily transferred to another Scheme employer), or
- the member ceases to be provided with a motor vehicle or an amount representing the money value to him/her of the provision of such a vehicle.

## Pensionable pay in the 2009 Scheme (non-councillors)

In some circumstances, such as calculating final salary for benefits accrued under earlier schemes, the 2009 Scheme definition of pensionable pay may apply. While broadly similar to the 2015 definition, there are three key differences:

1. **Non-contractual overtime** was excluded in the 2009 Scheme. In the 2015 Scheme, non-contractual overtime for hours worked up to the hours of the standard full time working week are pensionable. Non-contractual overtime for hours worked beyond then are not pensionable.
2. **Payments for loss of future pensionable benefits** were pensionable in the 2009 Scheme but are excluded in the 2015 Scheme.
3. **Actual pay to reservists** from the Scheme employer was pensionable in the 2009 Scheme. In the 2015 Scheme, the employee and the Ministry of Defence pay contributions based on Assumed Pensionable Pay (see [section 4.2](#)).

The 2015 Scheme also explicitly confirms that any award of compensation (excluding any sum for arrears of pay) for the purpose of achieving equal pay in relation to other employees is non-pensionable.

Pension contributions should not be deducted from a payment that was pensionable in the 2009 Scheme but is not pensionable in the 2015 Scheme. However, employers should include the payment when they work out final pay if it falls in the relevant period, even though pension contributions have not been deducted from it

If a payment was not pensionable under the 2009 Scheme but is pensionable in the 2015 Scheme, pension contributions must be deducted from it. The employer should not include the payment when they work out final pay.

## Pensionable pay (councillors)

The LGPS (Scotland) Regulations 2018 define pensionable pay for a councillor as follows:

“For regulation 20 (meaning of pensionable pay) substitute—

(1) A councillor member's pensionable pay in any year is the total of all payments of remuneration to the councillor by the local authority under the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, including any payments made in respect of a councillor's functions as convenor or vice-convenor of a joint board.”

The definition of pensionable pay in the 2009 Scheme for a councillor is the same as in the 2015 Scheme.

## Backdated payments

Benefits in the 2015 Scheme are based on the pensionable pay received in the Scheme year (1 April to 31 March), not the pay due for that period. Therefore, if arrears or other backdated payments relating to a previous Scheme year are paid in the current year, there is no need to adjust the earlier year's pensionable pay.

It would seem logical that any payments made after an employee elects to join the LGPS or is automatically enrolled or re-enrolled into the LGPS that relate to a period before the employee joined the LGPS should not be pensionable and so should not be included in CPP1 or CPP2. However, the LGPS Regulations 2018 are not clear on this point. The regulations governing the 2009 Scheme were equally unclear.

## Pensionable pay and salary sacrifice

Under HMRC approved salary sacrifice arrangements, an employee can reduce their contractual pay by an agreed amount (supported by a variation to their contract) in return for a tax assessable benefit in kind, from which income tax liability is then removed. The sacrificed amount remains pensionable under the LGPS provided the benefit in kind is specified in the employee's contract of employment as being a pensionable emolument.

The exception is any salary sacrificed for a car or any other motor vehicle, which cannot be pensionable.

From 6 April 2017, the UK Government introduced significant reforms to salary sacrifice arrangements. These reforms markedly restricted the types of benefits in kind which can benefit from income tax and National Insurance contribution (NIC) advantages via a salary sacrifice arrangement. Employer contributions into registered pension schemes were excluded from these changes. Employers and LGPS members can continue to benefit from income tax and National Insurance savings when pension contributions are paid through a salary sacrifice arrangement.

Salary sacrificed through a Shared Cost Additional Voluntary Contribution (SCAVC) is pensionable if the employer specifies in the employee's contract of employment that the contribution the employer makes to the SCAVC is a pensionable emolument.

Where holiday entitlement is sold in return for additional remuneration, the extra pay will be non-pensionable, because it is a 'payment in consideration of loss of holiday'.

## Buying extra leave

Many employers have introduced schemes that allow employees to buy extra leave as a way of saving money. The impact on a member's pension and the options open to them will depend on how the scheme works.

### **Method 1: The member's pay is reduced in return for additional leave**

This is, in effect, authorised leave of absence.

In 2018, the Scottish Government changed the regulations for authorised reduced pay / nil pay leave (other than by reason of illness or injury<sup>4</sup>) for a continuous period of less than 31 days. As each period of authorised leave will be for a continuous period of less than 31 days, the changes apply. Under the changes, the member must pay their LGPS contributions on the pensionable pay they would have received but for the absence ('notional pay'). The employer contributions are also calculated on the notional pay.

The pensionable pay for the purposes of CPP1 or CPP2 is the notional pay (rather than the reduced pay).

---

<sup>4</sup> The regulation only explicitly refers to excluding "sick leave". However, we believe that trade dispute dispute leave and leave protected by Assumed Pensionable Pay should also be excluded.

The member's pension will therefore be unaffected.

### **Method 2: member's contract of employment changed**

The employer could make a change to the employee's contract of employment, reducing the number of days the employee is required to work in a year. This would be similar to the contract of a term-time employee that says they are only required to work term-time.

The pay of a member who earns £20,001 a year, whose contract was changed to say that they are only required to work 360 days a year would reduce to £19,727. If the member wanted to purchase the equivalent of the pension they would have built up for five days work, they could do so by paying an APC. This would be at the whole cost to the member unless the employer voluntarily agreed to contribute towards the cost of that APC. See [section 5.3](#) for further details.

If the employee has 2009 Scheme membership, this method could reduce their final pay. This depends on how the administering authority treats employees who are required to work less than 365 days per year. If the administering authority treats this change as a reduction in final pay, Regulations 9 to 10 of the LGPS (Benefits, Membership and Contributions) (Scotland) Regulations 2008 would apply. The final pay used to work out the member's pre-1 April 2015 benefits would be the best out of the last three years.

### **Method 3: net deduction from the member's full pay**

The employer could continue to pay the employee in full and make a net deduction in respect of the value of the additional leave. Income tax and NICs would be deducted from the member's full pay. The member's pensionable pay would also be the full amount. The employer would need the agreement of the employee to deduct a net sum from their pay. The sum would be the amount the employee would have received for the period of leave after the deduction of tax, NI and pension contributions. There would be no effect on the employee's pension. The member's final pay would not be reduced and so there would be no need to consider earlier years' pay if they have benefits in the 2009 Scheme.

The employer can make a net deduction if:

- it is authorised in the employee's contract, and
- the employee has been given a written copy of the relevant terms or a written explanation of them before the deduction is made, or
- the employee consents to the deduction in writing before it is made.

## 4.2 Assumed Pensionable Pay

Assumed pensionable pay (APP) is a notional pay figure used in place of actual pensionable pay in certain circumstances when the member is absent from work and receives reduced or nil pay. This ensures that the member's pension continues to build up in the same way that it would have if the member was working their usual hours at their usual rate of pay.

Assumed pensionable pay is used in the following circumstances:

- the member is on leave due to sickness or injury and is on reduced contractual pay or no pay
- the member is on relevant child related leave, such as:
  - ordinary maternity leave, ordinary adoption leave or paternity leave, and
  - paid additional maternity leave, paid additional adoption leave, paid shared parental leave or paid parental bereavement leave
- while the member is on reserve forces service leave provided the member elects to remain in the LGPS instead of joining the Armed Forces Pension Scheme.

In these circumstances, the amount added to the CPP should be the APP and not any pensionable pay received.

The exception is when the pensionable pay received for any given day in that period is greater than the APP. This might occur on a 'keeping in touch' (KIT) day, 'shared parental leave in touch' (SPLIT) day or Stringer day. If this happens, pensionable pay is added to CPP for that day and APP is added for the other days. Note that the APP figure calculated before the KIT, SPLIT or Stringer day(s) is not recalculated following the KIT, SPLIT or Stringer day(s). The same APP figure continues to apply during the remainder of the relevant period of absence.

APP does not apply to councillors. This is because they still get their full councillor allowances while on sick or child related leave.

### APP Calculation

APP is calculated as an annual rate then applied to the relevant period as a proportion of that rate. The annual rate of APP is calculated as follows for any employee who is paid other than monthly (eg weekly, fortnightly, lunar, quarterly, half yearly).

## **Member paid other than monthly**

Calculate the average of the pensionable pay for the 12 complete weeks before the relevant event:

- after removing any pensionable lump sum payments
- including any APP previously credited in and relating to those pay periods
- if arrears of pay are paid in the 12-week period, some or all of which relate to an earlier period, the back pay can be treated as a non-regular lump sum payment and removed from the calculation.

If the average pensionable pay for the 12 weeks is, in the opinion of the employer, materially higher or lower than the level of pensionable pay the member normally received, the employer may substitute a higher or lower figure in the APP calculation to reflect the level of pensionable pay the member would normally have received.

Gross up the result to an annual figure and add any regular lump sum payment the member received in the 12 months before the relevant event. A lump sum is 'regular' if the employer determines that there is a reasonable expectation that the payment would be paid on a regular basis.

If 12 complete weeks' pay does not exist, use whatever period is available and scale it up to an annual rate.

The relevant event is the date on which:

- the employee first drops to reduced contractual pay or nil pay due to sickness or injury
- the employee commences child related leave. That is ordinary maternity or adoption leave, paternity leave, paid shared parental leave or paid parental bereavement leave, or
- the date the member commences reserve forces service leave.

**Important:** If the average pensionable pay over the 12-week period before the relevant event is £nil, but the member previously received pensionable pay in that employment, the APP should be based on the pensionable pay received during the 12 complete weeks before the pay period in which pay was last received.

APP does **not** accrue during any period of unpaid additional maternity or adoption leave, unpaid shared parental leave, unpaid carers leave or unpaid parental bereavement leave. These are treated as unpaid leave of absence.

## Monthly paid

For a monthly paid employee, three complete pay periods should be used instead of 12 weeks, but the calculation is the same as outlined above (replacing ‘12 complete weeks’ with ‘three months’).

The LGPS Regulations 2018 do not specify how grossing up to an annual equivalent pay figure should be calculated. For monthly paid employees, the calculation is straightforward — see Examples 8A and 8B below. However, for employees paid other than monthly, there is no standard procedure. For more information, see the section on [‘Proportioning’](#) below.

### Example 8A: Basic APP calculation

A monthly paid employee has received the following pensionable pay in the three complete months before the relevant event.

Month 1: £1,400

Month 2: £1,500 (including £100 overtime)

Month 3: £1,400

The calculation of APP is as follows:

$$\text{Annual rate of APP} = (\text{£1,400} + \text{£1,500} + \text{£1,400}) \div 3 \times 12 = \text{£17,200}$$

### Example 8B: APP and regular lump sums

The member from example 8A received a regular annual bonus of £1,000 in the period before going on to APP:

Month 1: £1,400

Month 2: £2,500 (including £100 overtime and £1,000 bonus)

Month 3: £1,400

Initially, the bonus is excluded in working out the annual rate:

$$\text{Annual rate} = (\text{£1,400} + \text{£1,500} + \text{£1,400}) \div 3 \times 12 = \text{£17,200}$$

Then the bonus and any other regular lump sum payments received by the employee in the 12 months before the relevant event must be added. In this example, we assume that there were no other regular lump sum payments.

$$\text{Annual rate of APP} = \text{£17,200} + \text{£1,000 bonus} = \text{£18,200}$$

## APP and separate employments

The calculation of APP uses the three complete months or 12 complete weeks pensionable pay the member receives relating to that employment before the relevant event.

If, during the period of three months or 12 weeks, the member ends one employment and is re-employed on a new contract of employment, the calculation of the APP is based on the pensionable pay received in the new employment only. The number of complete weeks or complete months available in that employment should be used.

## Proportioning

When determining the proportion of the annual APP rate to be added to the CPP, the same method used for determining payments for part periods for other reasons should be maintained. Therefore, if it is necessary to calculate one day's APP, use whatever method is normally used to calculate one day's pay from an annual rate. It is important that the method reflects the methodology used to calculate the annualised APP figure. The examples that follow show how to calculate APP, based on a number of different methods.

### **A. paid monthly, part month payment based on days in month**

APP annual rate =  $3 \text{ months' pay} \times 12 \div 3$

APP monthly rate = APP annual rate  $\div 12$

APP daily rate = APP annual rate  $\div 12 \div$  number of days in the month

### **B. Paid monthly, part month payment based on working days in month**

APP annual rate =  $3 \text{ months' pay} \times 12 \div 3$

APP monthly rate = APP annual rate  $\div 12$

APP daily rate = APP annual rate  $\div 12 \div$  number of working days in the month

### **C. Paid weekly, year treated as 52.143 weeks, part week based on 7 days**

APP annual rate =  $12 \text{ weeks' pay} \times 52.143 \div 12$

APP weekly rate = APP annual rate  $\div 52.143$

APP daily rate = APP annual rate  $\div 52.143 \div 7$

### **D. Paid weekly, year treated as 53 weeks, part week based on working days**

APP annual rate =  $12 \text{ weeks' pay} \times 53 \div 12$

APP weekly rate = APP annual rate  $\div 53$

$$\text{APP daily rate} = \text{APP annual rate} \div 53 \div 5$$

We have set out above four examples of how to convert an annual APP figure into a daily rate. We are aware that other methods of calculating part-month or part-week salary payments exist and therefore the information above should not be considered exhaustive. It is important that each employer is consistent in its calculation and application of APP to part months or weeks. This calculation must reflect the methodology used to calculate other part-month or part-week salary payments.

We do not recommend using the formula of  $53 \div 12$  shown in D. above. It produces an incorrect outcome when calculating an annualised APP figure for use in calculating the ill health pension enhancement for an employee retiring with a Tier 1 or Tier 2 ill health pension, or in calculating the lump sum death grant for a member who dies in service in a year with 53 weeks (compared to the figure that would have been calculated if the person had retired or died in a year with 52 weeks).

#### **Example 9: APP and cumulative pensionable pay**

A monthly paid employee is absent due to sickness, drops to reduced pay on 15 June and stays on reduced pay until they return to work on 4 September. The employee is in the main section throughout. CPP1 accrues as follows:

June:	14 days of pensionable pay plus 16 days at the APP rate
July:	APP
August:	APP
September:	3 days APP plus 27 days of pensionable pay

Employees on relevant child related leave may return for KIT or SPLIT days. If the pensionable pay they receive is higher than the APP daily rate for those days, the pensionable pay should be added to the CPP. Relevant child related leave means ordinary maternity leave, ordinary adoption leave, paternity leave, paid shared parental leave, paid parental bereavement leave, paid additional maternity leave or paid additional adoption leave.

Employees on leave due to sickness or injury on reduced pay or no pay may take Stringer days. If the pensionable pay they receive is higher than the APP daily rate for those days, the pensionable pay should be added to the CPP.

The APP applying after the KIT day, SPLIT day or Stringer day will be the same as the APP that applied before. There is no need to recalculate APP simply because the employee has returned to work for a KIT or SPLIT day, or taken a Stringer day

(annual leave during sickness absence) during the period of leave. Please see [example 19](#) to see how this works for both the CPP and CEC cumulatives.

## Adjusting the APP figure

The annual APP figure is adjusted if the absence continues for a period that crosses two 31 March dates. If an employee is on long term sick leave, APP is adjusted at midnight on the second 31 March following the date APP commenced. The adjustment is the percentage adjustment specified in the Treasury Revaluation order for that (second) Scheme year ending on that 31 March.

### Example 10: Adjusting the APP figure

A monthly paid employee goes on sick leave on reduced pay from 15 June. The annual APP figure of £18,200 is calculated as shown in [example 8B](#). On the following 31 March, the member is still on sick leave. The annual APP figure of £18,200 is not increased on that 31 March and continues to apply from 1 April.

If the employee is still on sick leave on the next 31 March, the annual APP of £18,200 will be adjusted by the annual percentage specified in the HM Treasury Revaluation Order. If this is 2%, the annual APP figure from the second 1 April following the date the person went on to sick leave on reduced pay will be increased to £18,564.

The member returns to work on the following 4 September. The employee is in the main section throughout. CPP1 accrued as follows:

June:	14 days of pensionable pay plus 16 days at the APP rate (annual rate of £18,200)
July to March:	APP at the annual rate of £18,200
April to March:	APP at the annual rate of £18,200
April to August:	APP at the annual rate of £18,564
September:	3 days APP (at the annual rate of £18,564) plus 27 days of pensionable pay

## The 50/50 rule

If the member was in the 50/50 section before dropping to nil contractual pay because of long-term sickness or injury, they should be placed in the main section from the beginning of the next pay period, provided they are still on no pay at that

time. From the beginning of that pay period, APP should be added to CPP1 rather than CPP2.

### **Example 11: The 50/50 rule**

A monthly paid employee drops to reduced contractual pay due to sickness on 15 June then on 15 September they drop to nil pay. They return to work on 1 December. At the date of the relevant event, they were in the 50/50 section of the Scheme. The CPP accrued is:

June:	14 days of pensionable pay plus 16 days of APP is added to CPP2
July:	APP is added to CPP2
August:	APP is added to CPP2
September:	APP is added to CPP2
October:	APP is added to CPP1 (next pay period following the drop to nil pay)
November:	APP added to CPP1
December:	pensionable pay added to CPP1

**Important:** The employee remains in the main section unless and until they make another election to join the 50/50 section.

## **Exceptions to 50/50 rule for short periods of sickness**

The exception to the 50/50 rule above is for short periods of reduction where the employer has a policy of nil pay for the first few days of sickness. In these cases, APP is applied in the pay period of reduction even if this is later than the date of the relevant event. Adjustments do not have to be made in arrears.

The employee does not have to be placed back in the main section if they have elected for the 50/50 section. They would be placed back in the main section if they eventually went onto no pay following long-term sickness / injury and were still on no pay at the beginning of the next pay period.

### Example 12: 50/50 and short periods of sickness

A monthly paid employee who is in the 50/50 section is off sick for two days in the middle of June and the employer has a policy of nil pay for the first three days of sickness. The adjustment to pay is not done until July when two days' pay is taken from that month's payment.

The CPP accrued is:

June:	pensionable pay is added to CPP2
July:	pensionable pay (which has been reduced by two days) plus two days of APP are added to CPP2

The APP figure is calculated by reference to the pensionable pay the member received in that employment in the three complete months' preceding the relevant event. The relevant event in this example is the date the member moved to reduced or nil pay due to sickness. Even though the deduction from pay for the two days of sickness absence did not occur until July, APP is calculated on the pensionable pay paid in the period March, April and May. The calculation of APP is not affected by the date the employer notifies payroll about the absence, and whether the deduction is made in the June or July payroll. In either case, the calculation of the APP figure to be added to CPP2 is the same. It is based on the pensionable pay the member received in respect of that employment in March, April and May.

## 50/50 and child related leave

A member in the 50/50 section must be moved to the main section of the Scheme if they go on to nil pay during a period of ordinary maternity leave, ordinary adoption leave, paternity leave or parental bereavement leave. The employee must be moved back into the main section from the beginning of the next pay period.

## End of APP accrual

APP stops accruing:

- at the end of a member's period of absence on reduced contractual pay or nil pay as a result of sickness or injury
- at the end of relevant child related leave, which includes ordinary maternity leave, ordinary adoption leave, paternity leave, paid shared parental leave, paid parental bereavement leave, paid additional maternity leave or paid additional adoption leave, or

- at the end of a period of reserve forces service leave.

## APP for ill health retirement or death in service

The employer will need to calculate APP when:

- the employer terminates an active member's employment on the grounds of permanent ill health with a Tier 1 or Tier 2 ill health pension, or
- an active member dies in service.

The APP figure is calculated in the normal way:

- using the average of the pensionable pay for the 12 (week) or three (month) complete pay periods before the date of termination or death
- the average pensionable pay should include any APP credited in and relating to those pay periods
- if the average pensionable pay for the 12 weeks (or, as the case may be, three months) was, in the opinion of the employer, materially higher or lower than the level of pensionable pay that the member normally receives, the Scheme employer may substitute a higher or lower figure to reflect the level of pensionable pay the member would normally have received
- convert figure to an annual figure
- add on any regular lump sums paid in the 12 months before the date of retirement or death.
- if the average pensionable pay over the 12-week or three-month period is £nil, but the member previously received pensionable pay in that employment, the APP should be based on the pensionable pay received during the 12 complete weeks / 3 complete months before the pay period in which pay was last received.

**Important:** there is a further adjustment for members who were working reduced contractual hours in the relevant 12 (weekly) or three (monthly) pay periods because of ill health. APP should be calculated on the pay the member would have received if they had not been working reduced contractual hours.

This APP figure is needed to calculate the amount of the enhancement to the ill health benefits due under the LGPS and, for death in service cases, the death grant and the enhancements to the survivor benefits.

An APP figure will also be needed for councillor members who retire with a Tier 1 or Tier 2 ill health pension or die in service.

Where the member is also employed to carry out additional duties as returning officer at local government elections or Parliamentary elections (including Scottish Parliamentary elections) or as an acting returning officer, the LGPS benefits for the additional duties are recorded separately from their main duties. If the member retires on ill health or dies in service, the APP figure for additional duties is calculated as the annual average pensionable fees the member received relating to the additional duties in the three years preceding the commencement of the pay period in which the ill-health retirement or death occurred (or received in the period of membership in that post if less than three years).

## 4.3 Certificates of Protection

Detailed guidance on Certificates of Protection is contained in Appendix 2 of the HR Guide. This is available on the [Employer guides and documents](#) page of [www.scotgpsregs.org](http://www.scotgpsregs.org).

Payroll providers should note that:

- to preserve pay protection for members' benefits, pay records must be kept for up to 13 years after issue of a certificate
- pay records will need to be used to provide a Pensionable Pay Cumulative figure which will be required to be stated on a new certificate. This will be the pensionable pay in the scheme year up to the day before the reduction or restriction in pay
- for members with a certificate issued under the 2009 or 1998 regulations, pay records will be required to facilitate protection for the remaining period of the certificate after 31 March 2015.

## 5. Cumulative contributions

This section is split into sub-sections which cover cumulative employee contributions (CEC1 and CEC2), cumulative employer contributions (CRC) and cumulative additional contributions (CAC and CARC).

### 5.1 Cumulative employee contributions (CEC1 and CEC2)

Employee contributions in the 2015 Scheme are applied according to ranges of pay bands rising from 5.5% to 12%. Using these bands, it is possible to calculate an average contribution rate to one decimal place for any given pensionable pay.

The appropriate band is determined by the employee's actual pensionable pay, not their FTE pensionable pay.

#### Contribution rates

The employee pays contributions at the appropriate average rate on all pensionable pay received in respect of that job or at half that rate if the employee is in the 50/50 section.

These contribution rates should not be used for any backdated payments that relate to the period before 1 April 2015 — see [section 8](#).

If a person holds more than one employment and these are treated as separate jobs, the pensionable pay from each job is assessed separately when determining the contribution rate for that job. If the employer determines that a single employment relationship exists (see [section 2](#)), the pay from each job should be combined to determine the single contribution rate.

The Scottish Public Pensions Agency (SPPA) publish guidance each year on [their website](#). The guidance includes:

- information on how to assess contribution rates
- the contribution rates table ("Table 1") for the Scheme year
- a "lookup table" ("Table 2") setting out the average contribution rates for each pay range.

### Example 13: Contribution band

An employee commences employment and has pensionable earnings of £29,000.

Using the contribution rates table for 2025/26, the employee will pay 5.5% on the pensionable pay up to and including £27,500 (or 2.75% if in the 50/50 section) and 7.25% on pensionable pay above £27,500 (or 3.625% if in the 50/50 section). As per the “lookup table”, this equals an average contribution rate of 5.6%.

The contribution rates table will change from time to time (and, when it does, the “lookup table” will also change). The pay ranges and rates should not be hardcoded into payroll systems. Systems should have the ability to change these.

## Appropriate contribution bands

Employers need to determine the correct band for the employee and notify payroll accordingly when:

- a new employee starts their employment
- an employee opts into the LGPS
- an employee’s contract is extended from less than three months to more than three months

unless the contribution rate is allocated automatically on the payroll system.

For workers on ‘zero hours’ contracts and workers on variable hours contracts, etc, the employer will have to make an assumption about the pensionable pay the person will receive in the Scheme year. Employees will remain on that average rate unless and until the employer notifies payroll during the scheme year of a permanent material change to the member’s terms and conditions of employment which affects their pensionable pay.

Employers are required by the regulations to reassess the appropriate average rate each April. Employers must also review the appropriate average rate ‘when there has been a permanent material change to the terms and conditions of a member’s employment which affect the member’s pensionable pay in the course of a financial year’. This could apply on:

- contractual hours change
- promotion
- demotion
- re-grading
- change of job

- move from a casual post to one with contractual hours.

Where a change to a member's contractual hours is not considered permanent by the employer (eg where there are frequent changes), an employer may decide to ignore the changes and assess at the next 1 April.

As examples, the following would not result in a re-assessment part-way through a scheme year (though would be taken into account at the next 1 April):

- a change in the number of non-contractual excess hours (as the terms and conditions won't have changed)
- increment or pay rise part way through a scheme year (as fulfilling an existing term or condition, rather than changing one).

The employer must disregard any reductions in pensionable pay due to sickness, child related leave, reserve forces service leave, strike or other absence from work when assessing or reviewing the appropriate band and contribution rate.

For more information, see the SPPA guidance, which is published on [their website](#).

#### **Example 14: Contribution rate for part time workers**

An employee commences part time employment at an FTE rate of £39,000 per year but is contracted to work 17.5 hours per week. The full-time hours for that job are 35. The appropriate rate on commencement would be determined using £19,500, rather than £39,000. Using the table for 2024/25, the rate of 5.5% (or 2.25 % if in the 50/50 section) will apply to all the pensionable pay.

#### **Example 15: Contribution rate and additional hours**

At the end of the Scheme year, it is clear that the employee from Example 14 is regularly working additional hours which brought their actual pensionable pay in the year up to £31,000. The employer should take into account the additional hours if they consider such hours will continue to be worked when determining the average contribution rate. Using the table for 2025/26, this will result in a contribution rate of 5.5% on the pensionable pay up to and including £27,500 (or 2.25% if in the 50/50 section) and 7.25% on the pensionable pay above £27,501 (or 3.625% if in the 50/50 section). As per the "lookup table", the average contribution rate would be 5.7% (or 2.85% if in the 50/50 section).

### Example 16: Contribution rate and changes in working hours

The same employee agrees to go full time part way through the second Scheme year and is issued with a new contract. The full-time pay is £39,000. At that point the employer should re-determine the contribution rate. Using the table for 2025/26, this will result in a contribution rate of 5.5% on the pensionable pay up to and including £27,500 (or 2.25% if in the 50/50 section), 7.25% on the pensionable pay above £27,501 and up to and including £33,600 (or 3.625% if in the 50/50 section), 8.5% on pensionable pay above £33,601. As per the “lookup table”, the average contribution rate would be 6.2% (or 3.1% if in the 50/50 section).

## 50/50 section contributions

When an employee is in the 50/50 section, the employee contributions are calculated using the same bands and rates. However, the rate for each band is halved.

Membership of the 50/50 section does not affect the appropriate band as the amount of pensionable pay does not change. When in the 50/50 section, employee contributions should be added to the CEC2 cumulative and not the CEC1 cumulative.

**Important:** Employer contributions are payable at the full employer rate and not 50% of the employer rate when a member is in the 50/50 section.

### Example 17: 50/50 section contributions

The employee in Example 16 opts for the 50/50 section in July and submits the election form after the July payroll has been closed. The contributions in July and August are:

July:	pensionable pay in period × 6.2% added to CEC1.
	pensionable pay in period added to CPP1
August:	pensionable pay in period × 3.1% (6.2% ÷ 2) added to CEC2
	pensionable pay in period added to CPP2

Movements between the two sections of the Scheme will take effect from the next available pay period. Payrolls should not have to split contributions between CEC1 and CEC2, or split pensionable pay between CPP1 and CPP2 in the same pay period.

## Contributions during periods of reduced or nil pay

If an employee has a reduction in pay, they will continue to pay contributions on the amount of pensionable pay received, if any, and **not** on any amount of APP being added to the CPP (if applicable).

There are two exceptions to this.

The first exception is where an employee is on authorised reduced / nil pay leave (other than by reason of illness or injury<sup>5</sup>) for a continuous period of less than 31 days. The employee pays their LGPS contributions on the pensionable pay they would have received but for the absence ('notional pay').

The second exception is where an employee is on reserve forces service leave. In this case the employee pays contributions on APP and not on any pensionable pay received from the Scheme employer. However, the employee contributions on the APP figure are not deducted via the employer's payroll but, instead, they are usually deducted by the MoD from the reservist's pay. The contributions are then paid over to the LGPS administering authority by the MoD. If the contributions were not deducted from the reservist's pay by the MoD, the member would have to pay the contributions direct to the LGPS administering authority and claim the tax relief from HMRC directly.

## Pay received on or after the day before 75

Contributions paid by employees after they reach age 75 do not qualify for tax relief. When an employer deducts contributions from an employee's pay and pays them to the scheme, these contributions are deemed to be paid from the deduction date.

As a consequence, LGPS regulations stipulate that payroll should not deduct employee contributions from pensionable pay received on or after the day before the employee's 75th birthday.

However, if an employee receives pensionable pay on or after the day before their 75th birthday (or is then treated as receiving APP) which relates to a period before leaving the LGPS, though no employee contributions are paid, the pensionable pay / APP should still be included in the CPP 1 and CPP 2 figures.

---

<sup>5</sup> The regulation only explicitly refers to excluding "sick leave". However, we believe that trade dispute dispute leave and leave protected by Assumed Pensionable Pay should also be excluded.

Pensionable pay received on or after the day before the employee's 75th birthday is excluded when calculating the employer contribution. But if the employee was treated as receiving APP at that time, the APP is included.

## Sickness absence and the 50/50 section

If the employee is in the 50/50 section and goes on to no pay due to long-term sickness or injury, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time.

### Example 18: contributions during sick leave

An employee drops to reduced contractual pay on 15 June due to sickness and on 15 September they drop to nil pay. They return to work on full pay on 1 December. At the date of the relevant event, they were in the 50/50 section of the Scheme and were paying 3.4% (half of the 6.8% average rate). The employee contributions calculated, and CEC accrued are as follows:

June:	pensionable pay $\times$ 3.4% added to CEC2
July:	pensionable pay $\times$ 3.4% added to CEC2
August:	pensionable pay $\times$ 3.4% added to CEC2
September:	pensionable pay (ie reduced pay paid for the first 14 days of September) $\times$ 3.4% added to CEC2
October:	pay period after drop to nil pay pensionable pay $\times$ 6.8% (= £nil) added to CEC1
November:	pensionable pay $\times$ 6.8% (= £nil) added to CEC1
December:	pensionable pay $\times$ 6.8% added to CEC1

Although pensionable pay dropped to half from 15 June and to no pay from 15 September, the reductions in pensionable pay are ignored when determining the relevant contribution band.

The person was in receipt of pensionable pay from 15 June to 14 September, but the pensionable pay received during this period is not added into CPP2. Instead, APP accrues during the period of sick leave on reduced contractual pay and no pay and is added into CPP2 for the period 15 June to 30 September and into CPP1 for the period 1 October to 30 November.

## Child related leave and the 50/50 section

A member in the 50/50 section must be moved to the main section of the Scheme if they go on to nil pay during a period of ordinary maternity leave, ordinary adoption leave, paternity leave or parental bereavement leave. The employee must be moved into the main section from the beginning of the next pay period.

## KIT / SPLIT days

When on child-related leave, the employee may return for KIT or SPLIT days. Employee contributions should be taken on the pay received for a KIT or SPLIT day at the rate appropriate for that pay period. If the pay is more than APP, actual pay received should be included in pensionable pay.

### Example 19: KIT and SPLIT days

- A monthly paid employee goes on to maternity leave from 16 June 2025.
- The ordinary maternity leave and paid additional maternity leave run out after 39 weeks on 15 March 2026.
- She returns to employment on full pay from 1 May 2026.
- She is in the main section of the Scheme and is paying an average contribution rate of 6.8%.
- She returns for a KIT day in November.
- PP accrued on that KIT day was more than APP.
- PP is added into CPP1, not APP for that day.

**Table 2: Example pay and contributions during maternity leave**

Month	CEC 1	CPP 1
June	pensionable pay $\times$ 6.8%	15 days of PP plus 15 days of APP
Jul	pensionable pay $\times$ 6.8%	APP
Aug	pensionable pay $\times$ 6.8%	APP
Sep	pensionable pay $\times$ 6.8%	APP
Oct	pensionable pay $\times$ 6.8%	APP
Nov	pensionable pay $\times$ 6.8% (KIT day at 6.8%)	One month less one day of APP plus pensionable pay on KIT day
Dec	pensionable pay $\times$ 6.8%	APP
Jan	pensionable pay $\times$ 6.8%	APP
Feb	pensionable pay $\times$ 6.8%	APP

Month	CEC 1	CPP 1
Mar	15 days pensionable pay $\times$ 6.8%	15 days APP
Apr	Nil	Nil

### Example 20: Pay and contributions during maternity leave

Based on the member in Example 19 and assuming:

- an unreduced monthly pay figure of £4,167 (£958.98 per week)
- conditions of service providing 6 weeks at 9/10ths pay
- followed by 12 weeks at half pay plus SMP of £187.18 per week
- followed by SMP of £187.18 per week for 21 weeks
- APP monthly rate of £4,167 (£958.98 per week ie  $\text{£4,167} \times 12/52.143$ )

the amounts allocated to CEC1 and CPP 1 cumulatives would be as shown in the following table.

The calculations for CEC1 and CPP 1 are:

Month	CEC 1	CPP 1
June	$(15 \div 30 \times \text{£4,167}) + (2.2 \text{ weeks} \times \text{£958.98} \times 9 \div 10) \times 6.8\% = \text{£270.80}$	$(15 \div 30 \times \text{£4,167}) + (15 \div 30 \times \text{£4,167}) = \text{£4,167}$
July	$(3.8 \text{ weeks} \times \text{£958.98} \times 9 \div 10) + (0.8 \text{ weeks} \times \text{£958.98} \times 0.5) + (0.8 \text{ weeks} \times \text{£187.18}) \times 6.8\% = 259.29$	£4,167
Aug	$(4.2 \text{ weeks} \times \text{£958.98} \times 0.5) + (4.2 \text{ weeks} \times \text{£187.18}) \times 6.8\% = \text{£190.40}$	£4,167
Sept	$(4.4 \text{ weeks} \times \text{£958.98} \times 0.5) + (4.4 \text{ weeks} \times \text{£187.18}) \times 6.8\% = \text{£199.47}$	£4,167
Oct	$(2.6 \text{ weeks} \times \text{£958.98} \times 0.5) + (2.6 \text{ weeks} \times \text{£187.18}) + (2 \text{ weeks} \times \text{£187.18}) \times 6.8\% = \text{£143.32}$	£4,167
Nov	$(3.8 \text{ weeks} \times \text{£187.18}) + \text{KIT day } \text{£138.90} \times 6.8\% = \text{£57.81}$	$\text{£4028.10} + \text{£138.90 KIT day} = \text{£4,167}$
Dec	$(4.6 \text{ weeks} \times \text{£187.18}) \times 6.8\% = \text{£58.55}$	£4,167
Jan	$(4.4 \text{ weeks} \times \text{£187.18}) \times 6.8\% = \text{£56.00}$	£4,167

Month	CEC 1	CPP 1
Feb	(4 weeks × £187.18) × 6.8% = £50.91	£4,167
March	(2 weeks × £187.18) × 6.8% = £25.46	(15 ÷ 31 × £4,167) = £2,016.29
April	Nil	Nil

Example 20 shows one way to calculate pay during maternity leave. It is not the only one as we are aware that the methodology adopted to pay SMP varies across employers.

## 5.2 Cumulative employer contributions (CRC)

Employer contributions are not split between the two sections of the Scheme and are calculated based on:

- the pensionable pay / notional pensionable pay (ie for members on authorised reduced pay / nil pay leave (other than for sick or injury leave<sup>6</sup>) for a continuous period of less than 31 days) on which the employee has paid their contributions when APP doesn't apply
- the APP figure for the pay period or part pay period when APP applies

CRC = (CPP1 + CPP2) × employer contribution rate.

If during any part of relevant child related leave, the actual pensionable pay received is greater than the APP for that period, the employer contributions are based on the actual pensionable pay received (and not APP).

During reserve forces service leave, the Scheme employer does not directly pay employer contributions on the APP and so there is no employer contribution to deduct via the payroll. Instead, the employer contributions on the APP figure are remitted by the Ministry of Defence (MoD) direct to the LGPS administering authority.

The employer contribution rate is a single rate for all employees of that employer and is subject to change. The rate may change annually but it will almost certainly change after each valuation of the Pension Fund. Employer contribution rates should

---

<sup>6</sup> Though not explicit in the regulations, we believe that this is also not intended to apply trade dispute leave or leave protected by Assumed Pensionable Pay (APP) (see [section 4.2](#)).

not be hardcoded into payroll systems. Employers will be responsible for notifying payroll of the employer contribution rate and any changes to it.

If the employee is in the 50/50 section, the employer rate is still paid in full (not at half rate).

## **5.3 Cumulative additional contributions (CAC, CARC) — per job**

### **Additional Pension Contributions (APC)**

Additional Pension Contributions can be made by the employee or by both the employee and employer. The cost of an APC can be:

- met in full by the employee, or
- split between employee and employer in any proportion agreed between the employee and the employer (the employer cannot pay 100 per cent).

Where an employer and employee both contribute, this is known as a Shared Cost APC (SCAPC). APC and SCAPC contributions may be one off or regular and will always be cash amounts not percentages of pay. If the contributions are regular, the employer will notify payroll of the employee amount and the employer amount (if any) to be deducted per pay period, and the number of payments in the APC contract. If the employee has more than one pensionable employment, the notification must also specify the employment that the APC contract relates to.

A councillor can also make APCs. However, their local authority cannot agree to make SCAPCs.

#### **Example 21: One off APC payment**

Payroll is notified that an employee has elected to pay a one off APC of £500. This amount should be deducted in the pay period following notification and £500 added to the EAPC CAC cumulative for that job for that Scheme year.

#### **Example 22: Regular APC payments**

Payroll is notified that an employee has elected to pay an APC of £50 per month for the next 60 pay periods. This deduction should commence in the pay period following notification and £50 added each month in the Scheme year to the EAPC CAC cumulative for that job.

Employers may agree to share the cost of APC contracts either as a one off payment or on a regular basis (though they cannot do so for councillors). For most APC contracts (excluding those taken out to cover pension 'lost' during unpaid leave), the employer share can vary across employees but the combined amount in respect of any individual employee will be consistent throughout the contract.

Where a SCAPC contract is taken out to cover the pension 'lost' during an authorised unpaid absence, the cost is shared 1/3rd employee, 2/3rds employer. This cost-sharing arrangement applies to any single period of unpaid leave lasting up to 36 months. The cost of purchasing 'lost' pension for a period of absence beyond 36 months will be at full cost to the employee, unless the employer voluntarily agrees to contribute.

### **Example 23: One off SCAPC payment**

Payroll is notified that the employer has agreed to share equally with the employee a one off APC of £500. The employee's £250 should be deducted in the pay period following notification with £250 added to the EAPC CAC and £250 added to the RAPC CARC cumulatives for that job.

### **Example 24: Regular SCAPC payments**

Payroll is notified that an employer has agreed to share equally with the employee the cost of purchasing an amount of additional pension. The arrangement is due to last for 60 months and the cost, based on factors in force at the time the contract commenced, is £50 per month. The employee's deduction of £25 should commence in the pay period following notification and £25 added each month in the Scheme year to each of the EAPC CAC and RAPC CARC cumulatives for that job.

Note that:

- The actuarial factors which determine the cost of purchasing additional pension are subject to review and may change. If these factors change while the member has an ongoing contract to purchase additional pension, both the employee and employer contributions change from the next 1 April. The member can end the contract if they do not wish to pay the new regular contribution amount.
- During any period of sickness or injury on reduced contractual pay, any pre-existing APC / SCAPC contracts remain payable, unless the member elects to end the contract. The payments need to be added to the EAPC CAC and, as appropriate, the RAPC CARC cumulative for that job. If the employee is in receipt of no pay, the employee contributions to an APC / SCAPC are deemed

to have been paid, but the deemed contributions are not to be added into the EAPC CAC cumulative for that job. The employer contributions to an APC / SCAPC should always be collected and added into the RAPC CARC cumulative for that job.

- During any period of relevant child related leave (ordinary maternity leave, ordinary adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave) any pre-existing APC / SCAPC contracts remain payable, unless the member elects to end the contract. The payments need to be added to the EAPC CAC and, as appropriate, the RAPC CARC cumulative for that job.

If the employee is in receipt of no pay, the employer contributions to a SCAPC remain payable and should be added to the RAPC CARC cumulative for that job. The employee payments due to an APC or SCAPC which could not be collected roll over as a debt to be recovered from pay on return to work (when they will be added into the EAPC CAC cumulative for that job). If the member does not return to work, the individual can make a direct payment to the LGPS administering authority or the administering authority could make a deduction from their pension benefits when they are paid.

- During any other period of child related leave (ie during unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave) any pre-existing APC / SCAPC contracts remain payable unless the member elects to end the contract. Although the employee is in receipt of no pay, the employer contributions to a SCAPC remain payable and should be added to the RAPC CARC cumulative for that job.

The employee payments that were due to an APC or SCAPC which could not be collected roll over as a debt to be recovered from pay on return to work. Once recovered, they will be added into the EAPC CAC cumulative for that job. If the member does not return to work, the individual can make a direct payment to the LGPS administering authority or the administering authority could make a deduction from their pension benefits when they are paid.

- During any period of absence due to a trade dispute or a period of unpaid unauthorised absence any pre-existing APC / SCAPC contracts remain payable (unless the member elects to end the contract). Although the employee is in receipt of no pay for the period of the trade dispute, the

employer contributions to a SCAPC remain payable and should be added to the RAPC CARC cumulative for that job.

The employee payments that were due to an APC or SCAPC should be deducted and added to the relevant EAPC CAC cumulative for that job if there is enough pay in the period from which to deduct the payment. Otherwise, the employee payment that was due to an APC or SCAPC will roll over as a debt to be recovered from pay on return to work (when they will be added into the EAPC CAC cumulative for that job). If the member does not return to work, the individual can make a direct payment to the LGPS administering authority or the administering authority could make a deduction from their pension benefits when they are paid.

- During any period of reserve forces service leave, any pre-existing APC / SCAPC contracts remain payable unless the member elects to end the contract. But these are not paid via payroll. The employer sends the relevant details to the reservist to pass on to MoD in order to get them to deduct the relevant APC contributions from MoD reservist pay and for MoD to pay these over to the LGPS administering authority. The employer must continue to pay employer contributions to a SCAPC.
- During any other period of authorised leave of absence, any pre-existing APC / SCAPC contracts remain payable, unless the member elects to end the contract. Although the employee may be in receipt of no pay, the employer contributions to a SCAPC remain payable and should be added to the RAPC CARC cumulative for that job. Any of the employee payments that were due to an APC or SCAPC which could not be collected roll over as a debt to be recovered from pay on return to work, when they will be added into the EAPC CAC cumulative for that job. If the member does not return to work, the individual can make a direct payment to the LGPS administering authority or the administering authority could make a deduction from their pension benefits when they are paid.

## Additional Voluntary Contributions

Additional Voluntary Contributions (AVC) can be made by the employee or, in the case of a Shared Cost AVC (SCAVC), by both the employer and employee. These contributions will be either a cash amount or a percentage of pensionable pay. The employer will notify the payroll of the employee amount or percentage to be deducted per pay period and, in the case of a SCAVC, the employer amount or percentage to be paid per pay period.

Councillors cannot enter into a SCAVC.

The split between an employee's and employer's additional contributions for a SCAVC can be any ratio as agreed but not 100% cost to the employer.

**Important:** There is no upper limit on the amount of pensionable pay a member can contribute to an AVC arrangement.

#### **Example 25: Paying a fixed cash amount of AVCs**

Payroll is notified that an employee has elected to pay an ongoing life assurance AVC of £100 per month. This amount should first be deducted in the pay period after notification. £100 should be added to the EAVC CAC cumulative each month in the Scheme year for that job.

#### **Example 26: AVCs as a percentage of pensionable pay**

Payroll is notified that an employee has elected to pay an ongoing non-life assurance AVC of 5% of pay per month. This deduction should start in the pay period following notification and the amount of AVC collected each month added to the EAVC CAC cumulative in the Scheme year for that job.

Employers may agree to share the cost of an AVC contract. This share can vary across employees but the proportion for any individual employee will not vary.

#### **Example 27: Paying a fixed cash amount of SCAVCs**

Payroll is notified that the employer has agreed to a Shared Cost non-life assurance AVC with an employee, with the employee contributing £60 per month and the employer contributing £40 per month.

The AVC deduction should start in the pay period following notification. The employee's £60 per month deduction should be added to the EAVC CAC and the employer's £40 per month contribution added to the RAVC CARC cumulatives each month in the Scheme year for that job.

### Example 28: SCAVCs as a percentage of pensionable pay

Payroll is notified that the employer has agreed to a Shared Cost non-life assurance AVC with an employee, with the employee contributing 3% of pay per month and the employer contributing 2% of pay per month. The AVC deduction should commence in the pay period following notification with the employee's 3% contribution added to the EAVC CAC and the employer's 2% contribution added to the RAVC CARC cumulatives each month in the Scheme year for that job.

### Non-life assurance AVCs and absence

- During any period of leave (other than reserve forces service leave) —
  - if the member has elected to pay the AVCs as a fixed amount, the amount is only payable if there is sufficient pensionable pay to cover the deduction. Otherwise, the AVC deductions are paused until the member next receives sufficient pensionable pay
  - if the member has elected to pay the AVCs as a percentage, the AVCs continue to be deducted at that percentage from the member's pensionable pay, if any
  - the member can elect to cease the AVC agreement or vary the amount / percentage.
- If the member is on reserve forces service leave —
  - if the member has elected to pay the AVCs as a fixed amount, the amount is only payable if there is sufficient reservist pay to cover the deduction. Otherwise, the AVC deductions are paused until the member next receives sufficient pay
  - if the member has elected to pay the AVCs as a percentage, the AVCs are calculated by reference to the assumed pensionable pay figure supplied by the employer to the Ministry of Defence and then deducted from the reservist pay. If there is not enough reservist pay to cover the deduction, the AVC deductions are paused until the member next receives sufficient reservist pay
  - the member can elect to cease the AVC agreement or vary the amount / percentage.

### Non-life assurance SCAVCs and absence (other than salary sacrifice SCAVCs)

The SCAVC arrangement may specify what happens if the member goes on reduced pay / unpaid leave. For example, it may specify that the arrangement ceases or that the amounts payable during that leave are different.

If the SCAVC arrangement does not so specify, the following applies:

- During any period of leave (other than reserve forces service leave) —
  - if SCAVCs are a fixed amount, the employer's share continues to be payable. The member's share is only payable if there is sufficient pensionable pay to cover the deduction. Otherwise, the member's share is paused until the member next receives sufficient pensionable pay
  - if the SCAVCs are based on a percentage of pensionable pay and the member is on child-related leave (ie ordinary maternity or adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave), the member's share continues to be payable at that percentage from the member's pensionable pay, if any. The employer's share, however, is the relevant percentage of the pensionable pay the member would have received but for the leave
  - if the SCAVCs are based on a percentage of pensionable pay and the member is not on child-related leave, both the member's and employer's share continues to be payable at that percentage from the member's pensionable pay, if any
  - the member can elect to cease the SCAVC agreement or vary the amount / percentage.
- If the member is on reserve forces service leave —
  - if SCAVCs are a fixed amount, the employer's share continues to be payable. The member's share is only payable if there is sufficient reservist pay to cover the deduction. Otherwise, the member's share is paused until the member next receives sufficient pay
  - if the SCAVCs are based on a percentage of pensionable pay, both the member's and employer's share is calculated by reference to the assumed pensionable pay figure supplied by the employer to the Ministry of Defence (MoD). The employer's share is payable by the LGPS employer (rather than the MoD). The member's share is deducted from their reservist pay. If there is not enough reservist pay to cover the deduction, the member's share is paused until the member next receives sufficient reservist pay
  - the member can elect to cease the SCAVC agreement or vary the amount / percentage.

### **Non-life assurance salary sacrifice SCAVCs and absence**

The rules on what is payable during leave can be complex. If the employer is unsure, it should check with the company that administers the salary sacrifice SCAVC arrangement.

## **Life assurance AVCs and absence**

If the member is paying AVCs for additional life assurance cover, they must make arrangements to continue to pay the life assurance AVCs during any period when there is not enough pay to cover them if they wish to ensure their AVC life assurance cover does not lapse.

For SCAVC arrangements for additional life assurance cover, the arrangement may specify what happens while the member is on reduced pay / nil pay leave. If the arrangement doesn't specify, the employer must pay its share if the member pays their share. If the member is on reserve forces service leave, the employer's share is paid by the LGPS employer (rather than the Ministry of Defence).

See [section 6.4](#) for AVC / SCAVC contracts entered into before 1 April 2015.

## 6. 2009 Scheme data

This section deals with the data requirements for Scheme members who have pre 2015 benefits. It contains information on final pay, part time hours, breaks in membership and existing additional pension contracts.

**Important:** This section does not apply to councillor members. Employers may still need to provide 2009 Scheme data for councillor members and should follow any specific instructions given by the administering authority.

### 6.1 Final pay

Employers are still required to provide final pay to the LGPS administering authority for members who:

- have LGPS membership before 1 April 2015,
- have transferred in final salary membership from a different public service pension scheme, or
- are protected by the underpin (see [section 7](#)).

The employer must provide:

- (a) Final pay (2009 Scheme definition) at each 31 March, on flexible retirement, on ending membership of the Scheme (opting out, termination of pensionable employment, death in service or attaining age 75), and on request from the administering authority (eg in relation to pension valuations for divorce / dissolution of civil partnerships), for use in calculating pre 2015 benefits, final salary benefits resulting from a transfer in and any underpin protection.
- (b) Final pay at Normal Pension Age (NPA) (2009 Scheme definition — normally age 65) for members protected by the underpin who remain active members beyond this date.
- (c) Final pay for the year ending 5 April for any members with final salary benefits who exceed or are close to exceeding the annual allowance, when the administering authority requests it.

The employer must calculate final pay in accordance with the Scheme regulations. The regulations state that:

- the final pay period is the year ending with the last day of membership; however, one of the two immediately preceding years is used if higher, or
- if a member is subject to a reduction or restriction in pay in the ten-year period before leaving the Scheme and a certificate of protection has been issued, they can choose to have their final pay calculated:
  - using the pay earned in the period ending with the last day of membership or any of the four immediately preceding years (though the member cannot choose a year that began more than three years before the reduction / restriction), or
  - as the annual average from any three consecutive years falling within the last 13 years (though the member cannot choose a three-year period that began more than three years before the reduction / restriction).

Employers should be aware that to calculate final pay accurately under the Scheme regulations, they will need complete pensionable salary data for the three years before the reduction / restriction and the 10 years following that.

If Scheme membership ends before 2009 Scheme NPA (usually 65), the same final pay figure is used in underpin calculations. If the member remains active beyond their 2009 Scheme NPA, the employer must supply the final pay figure for the year ending on the 2009 Scheme NPA to calculate the underpin.

In calculating the final pay, the employee is treated as receiving the pay they would otherwise have received but for the absence for a period of:

- unpaid or reduced pay child related leave during which the member was treated as receiving assumed pensionable pay
- unpaid or reduced pay sick or injury leave
- reduced pay authorised leave
- unpaid authorised leave (including trade disputes) for which the member has taken out an Additional Pension Contribution (APC) contract or Shared Cost APC contract which has purchased the whole of the pension lost during that leave
- unpaid authorised leave for a continuous period of less than 31 days during which the member continued to pay contributions on the pay they would have received but for the absence.

For unpaid leave not listed above and falling within the final pay period (usually the last 12 months), the final pay will be the pay earned during the final pay period divided by the number of paid days in that period multiplied by 365.

## Retention of payroll data

Scheme employers must provide the relevant administering authority with the information they require to calculate the value of each member's LGPS pension entitlement correctly. Employers' data retention schedules for payroll and HR data should take into account that there are circumstances when they will need to supply historical information to ensure that this requirement can be met.

Employers must also make payroll providers aware of their retention schedules so that they are able to retain access to the information needed.

### Pensionable pay data

When a Scheme member with pre 2015 membership or underpin protection leaves, the employer must calculate their 'final pay' in accordance with the Scheme regulations (see [section 6.1](#)).

Employers should be aware that to calculate final pay accurately under the Scheme regulations, they may need complete pensionable salary data for the three years prior to the reduction / restriction and the 10 years following that.

### Hours data

Employees who joined the LGPS before 1 April 2015 or who have underpin protection has membership in the final salary scheme. The employee's working hours are used in the calculation of benefits built up in the final salary scheme. Member queries concerning working hours can be received many years after they change their worked hours.

### Other data

Administering authorities are responsible for deciding whether deferred members can be paid their benefits early on ill health grounds. A deferred member is an employee who has left the Scheme but not yet taken payment of their pension benefits.

If a former employee applies for their deferred benefits to be put into payment early on ill health grounds, the administering authority is required to obtain an opinion from an Independent Registered Medical Practitioner before making a decision. The regulations require that the former employee is assessed in relation to their ability to

do the job that they were doing immediately before they left the Scheme. It is therefore important to keep records of former employees' duties and responsibilities, usually in the form of job descriptions.

**Important:** Provision of data to the administering authority remains the responsibility of the employer. It is important that employers put processes in place to retain access to historical payroll information when they change payroll provider so that they can continue to fulfil their responsibilities as a Scheme employer fully.

## 6.2 Changes in contractual hours, weeks or days per year

Employers are still required to provide changes of contractual hours for part-time employees (or the average hours for the Scheme year for employees who have no contractual hours) or changes in contractual weeks / contractual days per year (if the LGPS administering authority prorates the membership of employees whose contractual weeks / contractual days per year are less than 52 weeks per year / 365 days per year) in respect of:

- members who have an added years contract because the added years contract has to be adjusted when the member changes their contractual hours, and
- members covered by regulation 20(5) of the LGPS (Benefits, Membership and Contributions) (Scotland) Regulations 2008. This regulation provides a minimum ill health enhancement for those who were active members before 1 April 2009. A change in contractual hours can affect the level of the minimum ill health enhancement.

For data quality purposes, your LGPS administering authority may ask you to provide hours changes for all active members.

## 6.3 Breaks in membership

Employers will still be responsible for providing details to the LGPS administering authority of breaks in membership that occur before Normal Pension Age (2009 Scheme definition — normally age 65) due to:

- a trade dispute, or
- authorised unpaid leave of absence, or
- unpaid additional maternity or adoption leave,

- unpaid parental bereavement leave, or
- unpaid shared parental leave,

but only for members:

- protected by the underpin, or
- protected by the 85-year rule

and who have not taken out an Additional Pension Contribution (APC) contract to cover the whole of the pension that would have accrued during the trade dispute period, or taken out an APC or Shared Cost APC contract to cover the whole of the pension that would have accrued during the period of unpaid leave of absence (with compulsory employer contributions to a Shared Cost APC being limited to cover a maximum period of 36 months) or a period of unpaid additional maternity leave, unpaid additional adoption leave, unpaid shared parental leave or unpaid parental bereavement leave.

Employers do not need to provide details of breaks in membership due to an unpaid authorised absence for a continuous period of less than 31 days (otherwise than due to sick or injury leave<sup>7</sup>). This is because the members continue to pay contributions during the leave on the pay they would have received but for the absence.

In addition, employers will need to provide details to the administering authority of breaks in membership due to:

- unauthorised unpaid absence

for members:

- protected by the underpin, or
- protected by the 85-year rule, or
- who have not yet met the two-year vesting period.

Unauthorised unpaid absences will always constitute a break as there is no facility to pay an APC specifically to cover the pension that would have accrued during such a period of absence.

---

<sup>7</sup> Though not explicit in the regulations, we believe that this is also not intended to apply to trade dispute leave or leave protected by Assumed Pensionable Pay (APP) (see [section 4.2](#)).

Notification of service breaks is required so that the LGPS administering authority can determine:

- whether the final salary benefit underpin for members subject to the underpin exceeds their career average pension for the remedy period, and
- when the member meets the 85-year rule (as a break can potentially delay the date when the 85-year rule is met), and
- when the member meets the two-year vesting period.

For data quality purposes, your LGPS administering authority may ask you to provide service break information for all active members.

## 6.4 Existing additional pension contracts

Existing Additional Voluntary Contribution (AVC), Shared Cost Additional Voluntary Contribution (SCAVC), additional regular contribution (ARC), Preston part-time buy-back, added years, and Additional Survivor Benefit Contribution (ASBC) contracts in force immediately before 1 April 2015 continued.

If a member paying additional contributions under such contracts moves to the 50/50 section of the Scheme, the additional contributions under such contracts remain payable in full and are not reduced to half rate.

### Additional Voluntary Contributions

Contributions made by an employee to an AVC or, in the case of a Shared Cost AVC (SCAVC), by both the employer and employee, continue to be payable in respect of a contract taken out before 1 April 2015, unless the employee, or the employer in the case of a SCAVC, elects to end the contract. Such contributions will be either a cash amount or a percentage of pensionable pay, payable per pay period. Where it is based on a percentage, the amount deducted is based on the 2009 Scheme definition of pensionable pay.

#### Non-life assurance AVCs and absence

- During any period of leave (other than reserve forces service leave) —
  - if the member has elected to pay the AVCs as a fixed amount, the amount is only payable if there is sufficient pensionable pay to cover the deduction. Otherwise, the AVC deductions are paused until the member next receives sufficient pensionable pay

- if the member has elected to pay the AVCs as a percentage, the AVCs continue to be deducted at that percentage from the member's pensionable pay, if any
- the member can elect to cease the AVC agreement or vary the amount / percentage.
- If the member is on reserve forces service leave —
  - if the member has elected to pay the AVCs as a fixed amount, the amount is only payable if there is sufficient reservist pay to cover the deduction. Otherwise, the AVC deductions are paused until the member next receives sufficient pay
  - if the member has elected to pay the AVCs as a percentage, the AVCs are calculated by reference to the assumed pensionable pay figure supplied by the employer to the Ministry of Defence and then deducted from the reservist pay. If there is not enough reservist pay to cover the deduction, the AVC deductions are paused until the member next receives sufficient reservist pay
  - the member can elect to cease the AVC agreement or vary the amount / percentage.

### **Non-life assurance SCAVCs and absence (other than salary sacrifice SCAVCs)**

The SCAVC arrangement may specify what happens if the member goes on reduced pay / unpaid leave. For example, it may specify that the arrangement ceases or that the amounts payable during that leave are different.

If the SCAVC arrangement does not so specify, the following applies:

- During any period of leave (other than reserve forces service leave) —
  - if SCAVCs are a fixed amount, the employer's share continues to be payable. The member's share is only payable if there is sufficient pensionable pay to cover the deduction. Otherwise, the member's share is paused until the member next receives sufficient pensionable pay
  - if the SCAVCs are based on a percentage of pensionable pay and the member is on child-related leave (ie ordinary maternity or adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave), the member's share continues to be payable at that percentage from the member's pensionable pay, if any. The employer's share, however, is the relevant percentage of the pensionable pay the member would have received but for the leave

- if the SCAVCs are based on a percentage of pensionable pay and the member is not on child-related leave, both the member's and employer's share continue to be payable at that percentage from the member's pensionable pay, if any
- the member can elect to cease the SCAVC agreement or vary the amount / percentage.
- If the member is on reserve forces service leave —
  - if SCAVCs are a fixed amount, the employer's share continues to be payable. The member's share is only payable if there is sufficient reservist pay to cover the deduction. Otherwise, the member's share is paused until the member next receives sufficient pay
  - if the SCAVCs are based on a percentage of pensionable pay, both the member's and employer's share is calculated by reference to the assumed pensionable pay figure supplied by the employer to the Ministry of Defence (MoD). The employer's share is payable by the LGPS employer (rather than the MoD). The member's share is deducted from their reservist pay. If there is not enough reservist pay to cover the deduction, the member's share is paused until the member next receives sufficient reservist pay
  - the member can elect to cease the SCAVC agreement or vary the amount / percentage.

### **Non-life assurance salary sacrifice SCAVCs and absence**

The rules on what is payable during leave can be complex. If the employer is unsure, it should check with the company that administers the salary sacrifice SCAVC arrangement.

### **Life assurance AVCs and absence**

If the member is paying AVCs for additional life assurance cover, they must make arrangements to continue to pay the life assurance AVCs during any period when there is not enough pay to cover them if they wish to ensure their AVC life assurance cover does not lapse.

For SCAVC arrangements for additional life assurance cover, the arrangement may specify what happens while the member is on reduced pay / nil pay leave. If the arrangement doesn't specify, the employer must pay its share if the member pays their share. If the member is on reserve forces service leave, the employer's share is paid by the LGPS employer (rather than the Ministry of Defence).

## **Additional regular contributions (ARCs)**

Contributions under existing ARC contracts entered into before 1 April 2015 continue to be payable, but the member can elect to end the contract. Payments under these contracts are flat sums payable per pay period, not percentages of pensionable pay.

During any period of:

- relevant child related leave (ordinary maternity leave, ordinary adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave), plus unpaid additional maternity leave, unpaid additional adoption leave, unpaid shared parental leave or unpaid parental bereavement leave
- reserve forces service leave where the reserve forces pay is equal to or greater than the pay that would have been paid had the member continued to be employed by the Scheme employer
- absence due to sickness on full, reduced or nil pay
- absence due to a trade dispute
- jury service on reduced or no pay
- any other period of authorised leave of absence, or
- any period of unpaid unauthorised absence

the employee must continue to pay contributions under any pre-existing ARC contract entered into before 1 April 2015, unless the employee elects to end the contract. Where necessary, these contributions can be collected from pay when the member returns to work.

During any period of reserve forces service leave where the reserve forces pay is less than the pay that would have been paid had the member continued to be employed by the Scheme employer, the employee is not required to pay contributions under the ARC contract. The contributions are deemed to have been paid.

No new ARC contracts can be taken out after 31 March 2015, but the member can take out an Additional Pension Contributions (APC) contract.

## **Added years contracts**

Contracts entered into by members before 1 April 2009 to purchase added years continue, unless the member elects to end the contract. Payments under these contracts are expressed as a percentage of the member's pensionable pay. The contributions should only be deducted on the 2009 Scheme definition of pensionable pay. This excludes any pay that is pensionable in the 2015 Scheme, but which was

not pensionable in the 2009 Scheme, such as pay for hours worked in excess of contracted hours up to full time hours.

During any period of:

- relevant child related leave (ordinary maternity leave, ordinary adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave), plus unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave
- reserve forces service leave where the reserve forces pay is equal to or greater than the pay that would have been paid had the member continued to be employed by the Scheme employer
- absence due to a trade dispute
- jury service on reduced or no pay
- any other period of authorised leave of absence, or
- any period of unpaid unauthorised absence

the employee must continue to pay contributions under any pre-existing added years contract entered into before 1 April 2009, unless the employee elects to end the contract.

During any period of absence due to sickness on full or reduced pay the member will continue to pay the contributions under the added years contract on the pay received. They do not pay contributions under the added years contract during a period of sick leave on no pay.

During any period of reserve forces service leave where the reserve forces pay is less than the pay that would have been paid had the member continued to be employed by the Scheme employer, the employee is not required to pay contributions under the added years contract. The contributions are deemed to have been paid.

## Preston part-time buy-back contracts

Any existing (Preston) part-time buy-back contracts continue to be payable and, where any new cases are conceded by the employer, the Scheme member can enter into a new contract to buy-back the part-time membership. Payments under these contracts are flat sums payable per pay period (not percentages of pensionable pay).

During any period of:

- sickness on reduced contractual pay or no pay
- relevant child related leave (ordinary maternity leave, ordinary adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave), plus unpaid additional maternity leave, unpaid additional adoption leave, unpaid parental bereavement leave or unpaid shared parental leave
- reserve forces service leave
- absence due to a trade dispute
- jury service on reduced or no pay
- any other period of authorised leave of absence, or
- any period of unpaid unauthorised absence

the employee must continue to pay contributions under any Preston part-time buy-back contract.

## **Additional Survivor Benefit Contributions (ASBCs) for cohabitee survivor's pension**

Any existing ASBC contracts continue to be paid, unless the employee elects to end the contract. Members who have not entered into an ASBC contract for all or part of their pre-6 April 1988 membership to count for a cohabitee survivor's pension were not able to enter into a contract to achieve this after 31 March 2015.

Payments under existing ASBC contracts at 31 March 2015 are expressed as a percentage of the member's full time equivalent pensionable pay (2009 Scheme definition).

The contributions should only be deducted on the 2009 Scheme definition of pensionable pay. This excludes any pay that is pensionable in the 2015 Scheme, but which was not pensionable in the 2009 Scheme — such as pay for hours worked in excess of contracted hours up to full time hours.

During any period of:

- relevant child related leave (ordinary maternity leave, ordinary adoption leave, paternity leave, paid parental bereavement leave, paid shared parental leave, paid additional maternity leave or paid additional adoption leave), plus unpaid additional maternity leave, unpaid additional adoption leave, unpaid shared parental leave or unpaid parental bereavement leave

- reserve forces service leave where the reserve forces pay is equal to or greater than the pay that would have been paid had the member continued to be employed by the Scheme employer
- absence due to a trade dispute
- jury service on reduced or no pay
- any other period of authorised leave of absence, or
- any period of unpaid unauthorised absence

the employee must continue to pay contributions under any pre-existing ASBC contract entered into before 1 April 2015 (unless the employee elects to end the contract).

During any period of absence due to sickness or injury on full or reduced pay, the member will continue to pay the contributions under the ASBC contract on the pay received. They do not pay contributions under the ASBC contract during a period of sick leave on no pay.

During any period of reserve forces service leave where the reserve forces pay is less than the pay that would have been paid had the member continued to be employed by the Scheme employer, the employee is not required to pay contributions under the ASBC contract. The contributions are deemed to have been paid.

## 7. The underpin

The underpin was introduced to protect the pensions of older members when the LGPS changed from a final salary to a CARE scheme in 2015. The Court of Appeal found that younger members of other public sector pension schemes had been discriminated against, because similar protections did not apply to them. The Government committed to changing all public service pension schemes, including the LGPS, to remove the discrimination. These changes came into force from 1 October 2023 and are known as the McCloud remedy.

Though councillor members were not entitled to final salary benefits in the 2009 Scheme, they can still potentially qualify for underpin protection.

A member is protected by the underpin if:

- they were an active member of the LGPS or another public service pension scheme before 1 April 2012,
- they were a member of the LGPS in the remedy period (1 April 2015 to 31 March 2022) or they transferred remediable service into the LGPS from another public service pension scheme,
- they were under age 65 in the remedy period, and
- they do not have a disqualifying break. A disqualifying break is a break of more than five years that ends after 31 March 2012 during which they were not a member of any public service pension scheme.

Pension built up from 1 April 2022 onwards is not protected by the underpin.

If a member qualifies for underpin protection, the LGPS administering authority will compare the pension they built up in the remedy period with the pension they would have built up in the 2009 scheme. If the 2009 Scheme pension would have been higher, the difference will be added to their pension.

## 8. Payments in respect of a period before 1 April 2015

Where a payment is made after 31 March 2015 that relates to a period before 1 April 2015, the employee contribution rate under the 2009 Scheme should be applied to that pay. It is acceptable for the employer contribution rate applicable at the time of payment to be applied to pre and post 2015 pensionable pay.

The pensionable pay for the pre 2015 element should be based on the 2009 Scheme definition of pensionable pay (eg, for non-councillor members, excluding non-contractual overtime) and not the 2015 Scheme definition of pensionable pay (which would include non-contractual overtime for overtime worked up to full time hours for non-councillor members).

**Important:** Any pensionable pay received after 31 March 2015 which relates to a period before 1 April 2015 should not be included in CPP1 or CPP2.

## 9. Monthly payover of contributions

Employers participating in the Scheme are required to pay over to the appropriate LGPS administering authority all contributions paid by employees. This includes basic contributions and employee contributions to an APC or SCAPC.

The amount must be paid over as shown below:

a) If the employee is enrolled (or re-enrolled) into the LGPS under the provisions of the Pensions Act 2008, the employee contributions deducted from pay in the first three months have to be paid over:

- where the payment is by means of an electronic communication, by no later than 22 days from the end of the month falling three months from the date the employee became a member of the Scheme, or
- if payment is made by any other means, by no later than 19 days from the end of the month falling three months from the date the employee became a member of the Scheme

or

b) In any other case (for example, where the employee is contractually enrolled into the LGPS, or for contributions deducted from pay more than three months after being enrolled or re-enrolled under the provisions of the Pensions Act 2008), the employee contributions deducted from pay have to be paid over:

- where the payment is by means of an electronic communication, by no later than 22 days after the end of the month in which the contributions were deducted from pay, or
- in any other case, by no later than 19 days after the end of the month in which the contributions were deducted from pay

or

c) any such earlier time as the LGPS administering authority may stipulate.

The payment must be accompanied by a statement, in such form as the appropriate LGPS administering authority specifies, showing:

- a) CPP1: the total pensionable pay received by members in the main section of the Scheme during the period covered by the statement. This includes:
  - a. the Assumed Pensionable Pay members were treated as having received during that period

- b. the notional pensionable pay on which members paid their contributions during a short period of authorised unpaid / reduced pay leave
- b) CEC1: the total employee contributions deducted from the pensionable pay or notional pensionable pay referred to in (a)
- c) CPP 2: the total pensionable pay received by members in the 50/50 section of the Scheme during the period covered by the statement. This includes:
  - a. the Assumed Pensionable Pay members were treated as having received during that period
  - b. the notional pensionable pay on which members paid their contributions during a short period of authorised unpaid / reduced pay leave
- d) CEC2: the total employee contributions deducted from the pensionable pay or notional pensionable pay referred to in (c)
- e) CRC: the total employer contributions in respect of the pensionable pay referred to in (a) and (c)
- f) EAPC CAC: the total Additional Pension Contributions paid by members during the period covered by the statement, and
- g) RAPC CARC: the total Additional Pension Contributions paid by the employer during the period covered by the statement.

Employers participating in the Scheme must pay over to the appropriate LGPS administering authority all contributions paid by employers. This includes basic contributions and the employer contributions to an SCAPC.

The employer contributions must be paid over to the appropriate LGPS administering authority on or before such dates falling at intervals of not more than 12 months as the LGPS administering authority may specify. It is common practice for the employer contributions to be paid over to the appropriate LGPS administering authority at the same time as the employee contributions.

It should be noted that:

1. employee and employer pension contributions collected on pay paid after 31 March 2015 which was due in respect of a period before 1 April 2015 (see [section 8](#)),
2. ARCs or pre-April 2015 AVCs / SCAVCs deducted from the employee's pay (see [section 6.4](#)), or
3. contributions for added years, Preston part-time buy-back and ASBCs (see [section 6.4](#))

must also be paid over to the AVC provider or LGPS administering authority within the timescales mentioned above.

The payments in respect of (1) or (2) must be accompanied by a statement, in such form as the appropriate LGPS administering authority specifies, showing:

- a) the name, pay and contribution band of each employee from whose pay such employee pension contributions, ARCs or contributions to an AVC or SCAVC have been deducted,
- b) which of those employees have paid AVCs, SCAVCs or ARCs,
- c) the amounts of pension contributions deducted from each employee and the period covered by the deductions,
- d) the amount of employee contributions to an AVC or SCAVC, per employee, and the period covered by the deductions, and
- e) the amount of ARCs, per employee, and the period covered by the deductions.

The payments in respect of (3) should be accompanied by a statement, in such form as the appropriate LGPS administering authority specifies.

There are other payments that employers may have to pay to the LGPS administering authority (but these are unlikely to impact on payroll).

## 10. End of year template report

Table 3 shows the information that each Scheme employer must send to the appropriate administering authority at the end of each Scheme year. It must send this information for each separate employment of all employees who have been active members during the Scheme year. It must send the statement within three months of the end of the Scheme year.

**Table 3: End of year data**

Information for each employment	Format
Scheme year ending	Date
Surname	Alphanumeric
Forename (or initials)	Alphanumeric
Gender	Alphanumeric (M or F)
Date of birth	Date
National insurance number	Alphanumeric (No TN numbers)
Unique ID for the employment	Alphanumeric
Date became an active member of the Scheme in the employment if this was during the Scheme year <sup>8</sup>	Date

---

<sup>8</sup> Regulation 75(4)(a) of the LGPS Regulations 2018 states that the employer must provide the 'dates of active membership' for the Scheme year. A strict interpretation of that regulation would mean that the employer would have to provide the dates of active membership during the Scheme year being:

- the date of the beginning of the Scheme year, or
- the date the employee became an active member of the Scheme in the employment during the Scheme year, if later  
plus
- the date of the end of the Scheme year, or
- the date the employee ceased to be an active member of the Scheme in the employment during the Scheme year, if earlier.

However, at a practical level, the LGPC Secretariat thinks that administering authorities will only require the two items listed in the table above to be provided, ie date joined the Scheme in that employment if this was during the Scheme year (including those who joined the Scheme on 1 April) and the date ceased active membership in that employment if that was during the Scheme year (including those who ceased on 31 March). The reason administering authorities will require the date joined the Scheme in the employment if this was during the Scheme year (including those who joined the Scheme on 1 April) and the date ceased active membership in the employment if that was during

Information for each employment	Format
Date ceased active membership of the Scheme in the employment if this was during the Scheme year <sup>3</sup>	Date
<p>CPP1: Cumulative pensionable pay received in the employment during the Scheme year whilst in the main section. This includes:</p> <ul style="list-style-type: none"> <li>• the Assumed Pensionable Pay the member was treated as receiving during the Scheme year</li> <li>• the notional pensionable pay on which the member paid their contributions during a short period of authorised unpaid / reduced pay leave</li> <li>• the value of emoluments specified in the contract of employment as being pensionable emoluments including the value of salary sacrificed for childcare vouchers and pension contribution salary sacrifice via a Shared cost AVC arrangement.</li> </ul>	Number to 2 decimal places
CEC1: Cumulative employee contributions (if any) deducted from pensionable pay in previous field	Number to 2 decimal places

---

the Scheme year (including those who ceased on 31 March) is to ensure records are correct and up to date and to identify where notification of new joiners or leavers has not been received. We do not think funds require dates for every Scheme member if they have been in the Scheme for the whole Scheme year (ie 1 April to 31 March).

Information for each employment	Format
<p>CPP2: Cumulative pensionable pay received in the employment during the Scheme year whilst in the 50/50 section. This includes:</p> <ul style="list-style-type: none"> <li>the Assumed Pensionable Pay the member was treated as receiving during the Scheme year</li> <li>the notional pensionable pay on which the member paid their contributions during a short period of authorised unpaid / reduced pay leave</li> <li>the value of emoluments specified in the contract of employment as being pensionable emoluments including the value of salary sacrificed for childcare vouchers and pension contribution salary sacrifice via a Shared cost AVC arrangement.</li> </ul>	Number to 2 decimal places
CEC2: Cumulative employee contributions (if any) deducted from pensionable pay in previous field	Number to 2 decimal places
Section of the Scheme (main or 50/50) the employee was a member of in the employment at the end of the Scheme year, or at the date of cessation of active membership in the employment if this was before the end of the Scheme year. <sup>9</sup>	Alphanumeric

---

<sup>9</sup> The LGPC Secretariat believes that this information should be provided to the LGPS administering authority as it is required to ensure the member's pension record is correct and up to date and because the information may be needed to produce projections for Annual Benefit Statements.

Information for each employment	Format
<p>CRC: Cumulative employer contributions deducted from pensionable pay in respect of the employment. This includes:</p> <ul style="list-style-type: none"> <li>the Assumed Pensionable Pay the member was treated as receiving during the Scheme year</li> <li>the notional pensionable pay on which the member paid their contributions during a short period of authorised unpaid / reduced pay leave</li> <li>the value of emoluments specified in the contract of employment as being pensionable emoluments including the value of salary sacrificed for childcare vouchers and pension contribution salary sacrifice via a Shared cost AVC arrangement.</li> </ul>	Number to 2 decimal places
EAPC CAC: Cumulative Additional Pension Contributions (APCs), if any, paid in respect of the employment by the employee	Number to 2 decimal places
RAPC CARC: Cumulative Additional Pension Contributions (APCs), if any, paid in respect of the employment by the employer	Number to 2 decimal places
EAVC CAC: Cumulative Additional Voluntary Contributions (AVCs), if any, paid in respect of the employment by the employee	Number to 2 decimal places
RAVC CARC: Cumulative Additional Voluntary Contributions (AVCs), if any, paid in respect of the employment by the employer	Number to 2 decimal places

For employees with membership of the 2009 Scheme who are active members at the end of the Scheme year, the employer will also need to provide:

**Table 4: additional end of year data for members with final salary benefits**

Information for each employment	Format
Full time equivalent pay for the Scheme year	Number to 2 decimal places

Employers may not know in all cases whether an employee has final salary benefits. Administering authorities may request a full-time equivalent pay figure for the year for all Scheme members.

## 11. Glossary of acronyms

APC	Additional Pension Contributions (paid by Scheme member)
APP	Assumed Pensionable Pay
ARC	Additional Regular Contributions (paid by Scheme member)
ASBC	Additional Survivor Benefit Contributions (paid by Scheme member)
AVC	Additional Voluntary Contributions (paid by Scheme member)
CAC	The employee's total additional contributions (per type) for the Scheme year in respect of the employment
CARC	The employer's total additional contributions (per type) for the Scheme year in respect of the employment
CEC1	Cumulative employee contributions (if any) deducted from pensionable pay whilst in main section
CEC2	Cumulative employee contributions (if any) deducted from pensionable pay whilst in 50/50 section
COSLA	Convention of Scottish Local Authorities
CPP1	Cumulative pensionable pay received in the employment during the Scheme year whilst in main section
CPP2	Cumulative pensionable pay received in the employment during the Scheme year whilst in 50/50 section
CRC	Cumulative employer contributions deducted from pensionable pay in respect of the employment
EAPC CAC	Cumulative Additional Pension Contributions (APCs), if any, paid by the employee in respect of the employment
EAVC CAC	Cumulative Additional Voluntary Contributions (AVCs), if any, paid by the employee in respect of the employment
FTE	Full-Time Equivalent final pay in respect of the employment for the Scheme year
HMRC	His Majesty's Revenue and Customs

KIT	Keep in touch day
LGPC	Local Government Pensions Committee
LGPS	Local Government Pension Scheme
MoD	Ministry of Defence
NIC	National Insurance contributions
NPA	Normal Pension Age
PP	Pensionable pay
RAPC CARC	Cumulative Additional Pension Contributions (APCs), if any, paid by the employer in respect of the employment
RAVC CARC	Cumulative Additional Voluntary Contributions (AVCs), if any, paid by the employer in respect of the employment
SCAPC	Shared Cost Additional Pension Contributions (cost met by Scheme member and the employer)
SCAVC	Shared Cost Additional Voluntary Contributions (cost met by Scheme member and the employer)
SMP	Statutory Maternity Pay
SPLIT	Shared parental leave in touch day
SPPA	Scottish Public Pensions Agency

## 12. Disclaimer

The information contained in this guide has been prepared by the LGPC Secretariat, a part of the LGA. It represents our views and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility whatsoever will be assumed by either party for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this Guide.