

Coronavirus (COVID-19) FAQs for LGPS members

I'm struggling financially at the moment; can I reduce my pension contributions?

Yes, you could think about joining the 50/50 section. If you do, you will then pay half your normal contributions but, while you are in the 50/50 section, you will only be building up half of your normal pension. If you have more than one job you can choose the 50/50 option in one, some, or all your jobs.

Pandemic

Regardless of the section you are in, you get full life assurance cover and ill health benefits.

You can see the pension contribution bandings on the LGPS member [website](#)

If my pay is reduced, what impact will this have on my pension?

This will depend on the reason for the reduction:

- **If I'm on sick leave?**

If you are off work due to sickness or injury and your contractual pay is reduced, or you do not receive any pay, then a notional pay figure is used to work out your pension to make sure your pension is not affected. This notional pay is called your [assumed pensionable pay](#)

You will continue to pay your basic LGPS contributions on any pay that you receive while you are off sick. If you are on unpaid sick leave, you will not pay any contributions.

If you are in the 50/50 section of the scheme and your pay is reduced to zero due to unpaid sick leave, you will automatically be moved into the main section of the scheme from the beginning of the next pay period (if you are still not receiving any pay). This means from that point forward; you will build up full pension benefits in the LGPS even though you are not paying pension contributions.

- **If I'm granted a period of authorised unpaid leave?**

If your employer allows you to take a period of unpaid leave, the period will not count for pension purposes unless you choose to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of absence.

You can find more information, use an online calculator and download an application form, from the LGPS member [website](#)

If you choose APCs to purchase the amount of pension lost within 30 days of returning to work (or a longer period if your employer allows it), the cost will be split between you and your employer.

- **If I'm away from work for other reasons?**

If you are on:

- maternity, adoption, or paternity leave, or shared parental leave,
- reserve forces leave, or
- strike

you can find out more information on the LGPS member [website](#)

Coronavirus (Covid-19) is affecting the stock market, does this mean I'll get less pension when I retire?

The LGPS is a defined benefit pension scheme, so your main scheme benefits are not linked to stock market performance and are instead worked out based on your pensionable pay and number of years as a member.

You can be assured that your main scheme benefits will be unaffected by any stock market movements.

However, any in-house Additional Voluntary Contribution (AVC) plan you have is a defined contribution arrangement; in which case the value of your chosen investment fund will be linked to performance of the stock market and may be affected.

Will the current situation in regard to coronavirus impact payment of my pension?

No, Pension Funds will continue to pay pensions as normal.

Could pension scams increase during the Coronavirus (Covid-19) outbreak?

Yes, watch out for scams related to coronavirus (Covid-19). These scams take many forms and could be about insurance policies, pensions transfers, or high-return investment opportunities, including investments in crypto assets.

Scammers are sophisticated, opportunistic and will try many things. They are also very likely to target the vulnerable. Beware of investments that appear to be too good to be true. If you decide to invest in something offering a high return or in a crypto asset, you should be prepared to lose all your money.

To help protect yourself you should:

- Reject offers that come out of the blue.
- Beware of adverts on social media channels and paid for/sponsored adverts online.
- Use the [FCA Register](#) and [Warning List](#) to check who you are dealing with.
- Do not click links or open emails from senders you don't already know.
- Avoid being rushed or pressured into making a decision.
- If a firm calls you unexpectedly, use the contact details on the [Register](#) to check that you are dealing with the genuine firm.
- Not give out personal details (bank details, address, existing insurance/pensions/investment details).

If you suspect a scam, call [Action Fraud](#) straight away on 0300 123 2040.

We are currently working with the government to fully understand how the current situation will affect furloughed workers, those that have had to take enforced unpaid leave, and staff transferred to the NHS. We will keep this page updated as we get more information.