

To: Salaries and Wages
Human Resources
Pension Contacts

Circular 07/2014
26 June 2014

At: All Employing Authorities

Dear Colleagues,

Possible Industrial Action

1. Purpose of this Circular

As employers will be aware some trade unions have been balloting their members to seek a mandate for industrial action.

This circular is issued to remind employing authorities of the provisions in the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009¹, LGPS (NI), as amended, relating to absence from work because of a trade dispute. The member may cover the strike break by making contributions at 16% of the lost pensionable pay for the strike period. No employer contributions are due in respect of this period. If the strike period is not covered it will count as a break in pensionable service and NILGOSC must be notified.

2. Strike action – pension implications

A member who is absent from work without permission, for a period of one or more days due to a trade dispute (strike action), and who was a member before that period of absence or a member before the first period of absence in a long running trade dispute, may choose to make a contribution of 16% on the lost pensionable pay. If the member chooses to pay this contribution the period of absence will be counted towards total membership in the Scheme. If the member chooses not to pay the contributions the period of absence will not be counted towards his/her total membership in the Scheme.

An election to make contributions to cover the break must be made within 30 days of returning to work following the end of the trade dispute.

Lost pensionable pay is the difference between the actual pensionable pay received and the pensionable pay that would have been received had the member not been absent.

The termination of a member's contract of employment because of a trade dispute does not prevent the member covering the break providing he/she becomes an

¹ LGPS (Administration) Regulations (NI) 2009, regulation 16

employee of the same employer and re-joins the Scheme within one day of the dispute ending.

If a member is absent due to a trade dispute and he/she is already making additional contributions then he/she:

- MUST continue to pay Additional Regular Contributions (ARCs) and added years contributions on the pensionable pay that would have been received had it not been for the trade dispute absence.
- MAY continue to pay Additional Voluntary Contributions (AVCs) and Shared Cost AVCs (SCAVCs). However, members should continue to make any AVCs or SCAVC contributions that relate to life cover to ensure that this cover does not lapse.

3. Actions to be taken by Employing Authorities

Employing authorities should inform those members of the LGPS (NI) who are absent due to strike action for one or more days of their right to pay 16% pension contributions in relation to the pay 'lost' during the strike period. No employer contributions are due.

The implications of not paying the contributions should also be explained to the member i.e. the strike period will not count for pension purposes. This means that each day a person is on strike will reduce the member's period of membership on which benefits from the Scheme are calculated. It may also marginally reduce the final pay figure used in the calculation of benefits for a person who leaves within 12 months of the end of the strike period.

If the member elects to make the 16% payment it will be treated as contributions to the Fund and should be included in the normal monthly remittance sent to NILGOSC. There is no need to advise NILGOSC that the member has been on strike as the strike period is covered and it will be treated as continuous membership.

If the member does not elect to cover the strike break you should notify the employee that the strike break will not count for pension purposes and you should also notify NILGOSC so that this break can be recorded on the member's record. A spreadsheet is available from NILGOSC to enable the strike break to be recorded on the member's record. This spreadsheet (Service break Form) should be completed for all members who did not elect to cover the break and is available at [Forms for Employing Authorities](#) . Once the spreadsheet is completed it should be sent securely, in line with your data protection procedures, to pensions.administration@nilgosc.org.uk.

If the strike absence lasts for less than a day, contributions are payable on the remuneration received for the remainder of the day. In these cases, employing

authorities do not need to issue any notification to the member or to NILGOSC as the whole day is automatically treated as pensionable service.

Yours sincerely

A handwritten signature in black ink that reads "Zena Kee". The signature is written in a cursive, slightly slanted style.

Zena Kee
Pensions Manager