

Administration During Active Membership: Transcript

Intro, Housekeeping, Outline [00:00]

So, we'll get going. My name is Leah Sheerin. I am the Employer Liaison Officer at NILGOSC. You're all very welcome today, thank you for coming. Today we're going to be focusing on administration for, active members of the Scheme, so all the administration duties that you'd expect to be carrying out, as an employer for any active members of NILGOSC.

Presentation Attributes

Firstly, if everyone could just make sure that their microphones stay on mute, just for the duration of the presentation, unless I ask somebody to unmute themselves specifically. As I say, I don't have anyone from admin with me, who would usually be in the background muting things for me. So, if you don't mind, just making sure you stay on mute until the end. There will be time at the end to ask questions.

We have, the full hour until about 11:00, just after, and I'm happy enough to stay on for a wee bit afterwards to answer any questions that people have at the end. I'm not able to monitor the chat while I'm doing the presentation today. If you do have queries, that you've put in the chat, I will come to them, but it'll probably be after the call has ended, after the event has ended. Otherwise, please do just keep your questions until the end, and you can - you can ask them verbally, by raising your hand at the very very end of the presentation.

We are going to record this session today, and it'll then be posted on our website at a later date, so if you know anyone who couldn't make it today, like a colleague, or if you yourself would like to look back at it at a later date, that will be available on our website, probably in about 2 to 3 weeks time, after the editing and stuff that's necessary, is done. I'll also be sharing a copy of the slide deck with everybody, so don't worry too much about taking too many notes today, while I'm going through the presentation.

Because we're recording the session, you'll note that all the cameras have been disabled, that's just to avoid us having to blur anybody's faces at the end, apart from mine. And any questions that are asked verbally at the end, will of course be cut from

the final recording, so you don't have to worry about those going on the website in the final recording. Please ensure, if you have asked a question in the chat, and you are waiting for me to come back to you after today's seminar, please ensure, you leave a contact email if you're not joining with your work account. If you're joining with your work account, and you show up with your work account on this call today, I should be able to get your email address through that, but it's just in case anyone joins, and their contact details are unverified, or they've joined anonymously or things like that. Just make sure that there's a way for me to contact you after.

Note that this seminar is only for employers, who administer the Local Government Pension Scheme NI, so only employers of NILGOSC. So if you're not from NILGOSC, or you're not NILGOSC employer, this won't really apply to you at all.

Content Outline

Okay... so, what we'll look at first is the content that we'll be going through today. Firstly, we'll be starting off with "Joining the Scheme", so how do members actually go about joining the Scheme? We'll then look at "Understanding 'pensionable pay'", so what pensionable pay is, the definition of it. We'll also look at the differences, the key differences that are there, between 2015 or pre 2015 final salary pensionable pay, the definition of that, and the differences between that and CARE pensionable pay, so everything that's earned after 1st of April 2015 in the CARE scheme.

We'll then move on to looking at "Contributions", so, both employee and employer contributions that are being paid to the Scheme, how they're determined, how employers go about determining and assigning contribution rates, to members. We'll then look at moving between sections of the Scheme, so we have the main section of the Scheme, and we have the 50/50 section. We'll look at the movements between those two different sections, and the administration requirements, and duties that surround that. We'll then look at "Changes during Scheme membership".

We'll look at "Absences", so what happens if a member is absent for - from work for various reasons, and what your duties as an employer are with the Scheme then. And lastly we'll come on to looking at "Additional contributions", so AVCs and APCs,

and how you would go about administering that for your members. And as I say, at the end we'll have about 15, 20 minutes for questions, if it's needed.

Contractual Enrolment [03:37]

So first up we'll look at "Joining the Scheme". Most members will come into the Scheme, or will join the Scheme through contractual enrolment. Under the scheme regulations that govern NILGOSC, employees have to be, or must be contractually enrolled from the first day of employment, if they, meet those two bullet points there on the slide, so they're under the age of 75, and they have a contract of employment of more than 3 months. If they meet those 2 bullet points, - they're - they start their contract of employment with you as an employer - they should be contractually enrolled automatically into the Scheme.

If there's a temporary contract, and it's extended beyond the three months, so they weren't auto - they weren't brought in contractually from the start of their contract of employment, but then it's extended beyond the three months, they have to then be brought into the Scheme as long as they're eligible to be a scheme member. An employee might not meet the above criteria to be contractually enrolled from the start date, so they might not meet those two bullet points that they're under the age of 75 and have a contract employment of more than 3 months, but they could still be eligible for automatic enrolment.

So, just something to note, that you're still having to assess really from the beginning. Assess for contractual enrolment first. If contractual enrolment doesn't apply, assess for automatic enrolment from the get-go, too, just in case that applies, where contractual enrolment doesn't. But generally, most members will be brought in via contractual enrolment, unless they have a very short-term contract of less than 3 months.

Automatic Enrolment [05:09]

Automatic enrolment then, is what comes in, as I say, after contractual enrolment... after you've applied that. Under automatic enrolment legislation, employees do have to be automatically enrolled in the pension scheme, if they meet these 3 bullet points here [referring to the on-screen slide, titled "Joining the Scheme – Automatic

Enrolment"], so firstly look at their earnings: Do they earn over £10,000 a year? Look at their age: Are they age 22 or over? And then, again look at how close they are to state pension age: Are they under state pension age? And if so, and they're between the age of 22 and state pension age, and that earnings category applies to them as well, that would make them an eligible job holder.

And when we talk about an eligible job holder, it's as in, they're eligible for automatic enrolment to apply to them. Automatic enrolment is a separate legislation, which basically sits alongside our scheme regulations, so as I say, apply the NILGOSC scheme rules first with contractual enrolment, and then apply the automatic enrolment; they're additional requirements to apply after that. So contractual enrolment first, and then automatic enrolment.

The scheme rules as we always say, take precedence. So, for example, even if at the start date an employee meets both contractual enrolment criteria, and also they're eligible for-for automatic enrolment, the employee is brought into the Scheme under contractual enrolment, so always apply that contractual enrolment first.

Resources

I've put a wee graphic there for The Pensions Regulator on the slide. You'll note, if you ever query anything to do with automatic enrolment with me, I often will point you in the direction of The Pensions Regulator website, the TPR website. They have a wealth of resources on there. They have really really good tools for assessing your work, force, and whether or not automatic enrolment would apply to them. So, I always do try to point employers in the direction of that because they have really really good resources.

We also have, as I have on the screen there, our guide, a brief guide to automatic enrolment for employers. That's available on our website... with under Employers, and then, Guides - resource for employers, and then guides, so you have that as an additional support resource too.

So as I say with automatic enrolment is all about assessing your workforce for eligibility, and this is the grid that's usually used, and you'll see this on the TPR website as well.

Earnings/Age Grid

So that's where you're looking at their earnings threshold. You're looking at their age group, so are they between the age of 22 and state pension age? And, basically looking at where they fall in that table, and do they fall into the, category of eligible job holder. If they're an eligible job holder, as it says in the table there, they have to be, they must be automatically enrolled. If they're a non-eligible job holder, they can opt into the automatic enrolment scheme, so they can choose to join; but you don't have to, you don't have a duty under that to automatically bring them in; they have to ask you to let them join.

If they're entitled worker, they can join a qualifying pension scheme, so they can again, join NILGOSC if they want to. But again, they will have to say to you that they specifically do want to join. And again, a non-eligible job holder will also - will come under that, between state pension age of 75, but may not meet the earnings trigger, so they might not be eligible for-for automatic enrolment. You don't have a duty to bring them in, but they can choose to come in, if they want to, but they'll have to say to you.

So for employees who were not contractually enrolled at the beginning of the - at the beginning of their employment, so contractual enrolment didn't apply for whatever reason, maybe they had a contract of employment for less than 3 months, maybe their earnings weren't within the earning threshold to be automatically enrolled in the pension scheme. Or for anyone who - was – who was originally contractually enrolled, but then they subsequently opted out after that, that's where automatic enrolment comes in for those people.

Basically, under automatic enrolment you want to assess those employees at the start of each pay period, so it's every pay period you should be assessing your workforce... especially those people who aren't already in, the pension scheme, and you're aware of them, and you're constantly looking at them each pay period to ask yourself, "Right, should they be automatically enrolled at this point? If the employee is an eligible job holder, so they meet all of the criteria for automatic enrolment, you must automatically enrol them in the pension scheme.

Postponement

You can use postponement, for a period of up to 3 months, but then after that 3-month period, you do need to assess for eligibility again, so, you can't keep applying postponement. If you use postponement, and then after the 3 months period, they still aren't eligible for automatic enrolment, that's fine, you just keep - you keep going pay period to pay period. But once they do become eligible, you do need to bring them into the pension scheme, so you can't just keep using postponement, as I say, over and over again.

Automatic enrolment duties don't apply if the employee opted out more than 12 months before, so if the employee's been out for more than a year, so they opted out of the Scheme more than a year ago, more than 12 months ago, then automatic enrolment wouldn't apply to that member. What will apply to that member, I'll go through on the next slide, will be the cyclical re-enrolment exercise, which is every 3 years, because that - that wee exception about, if they opted out more than 12 months before - you'll see on the next slide - doesn't apply whenever it's a cyclical re-enrolment exercise.

Optional Enrolment

Automatic enrolment duties can be optional sometimes for some members, if they opted out in the 12 months prior, so if the member opted out, you know within the last 6, 7, 8 months, anything up to the last 12 months, then they're optional, so you can still bring them in, but it is optional to you as an employer, so you make - you make, it's your discretion, you make the decision, whether or not, to bring them in at that point. It's also optional if they have, given, or been given, notice of the end of their employment within the 6 weeks prior to when you're assessing them for automatic enrolment, so just those 2, little exceptions there, where it becomes optional

Cyclical Re-enrolment [10:56]

As I mentioned there, there's also cyclical re-enrolment, which a lot of you as employers will probably have gone through already several times before. It's carried out every 3 years. You, the employer, choose the date that you want to apply.

It's only for staff who were previously automatically enrolled, and then opted out, so it's not going to apply to anyone who was never a member of the pension scheme. It's only for anyone who was previously in the pension scheme, and then subsequently opted out of it. You basically use the same criteria for cyclical re-enrolment to assess them for eligibility, so age and earnings again.

Postponement, really important to note, cannot be used in this case. So whereas every pay period when you're just assessing your employees for automatic enrolment eligibility, you can use postponement for a period up to 3 months for those people. When it comes to cyclical re-enrolment, your 3 yearly exercise, you can't use postponement to put off, bringing anybody in. The cyclical re-enrolment duties are optional, if, and there's 2 bullet points there [**refers to the on-screen slide titled "Joining the Scheme – Cyclical Re-enrolment"**]: If they opted out in the 12 months prior, so if it's in the last 12 months they opted out of the pension scheme, you get to your cyclical re-enrolment date at the end of the 3-year period. If they opted out in the 12 months prior to that cyclical re-enrolment date, then they - it is optional, so again, it's your discretion as an employer whether or not to bring them in. Also optional again, about that notice period, if they've either given, or been given, notice of the end of their employment within the 6 weeks before that cyclical re-enrolment date.

And again, I've just pointed you in the direction of The Pensions Regulator, the TPR website there. They have a really good re-enrolment date tool, which basically, you put in the cyclical re-enrolment date you'd usually use every 3 years, it'll tell you kind of things, duties that are coming up before that date, things you need to get prepared for members, and it'll also; there's a quiz on it that is really handy as well that I've gone through before, which is work out your re-enrolment duties quiz. So you can put in member information there - well not personal information -, but information about age, earning, things like that, and it'll tell you basically whether or not it thinks you should be re-enrolling that person. So really really good tools and quizzes that are available on TPR's website there for all employers; and it's free as well to use, so you can go on, and use it as many times as you'd like.

Processing New Joiners [13:11]

Looking then at joining the Scheme, and how you actually go about joining, or processing new joiners, so actually having members join the scheme. This will be different for i-Connect employers, and for employers not on i-Connect, so if you're an employer who's already onboarded to i-Connect, and using either the online return system or the payroll extract system. If you're an i-Connect employer, enrolment is all carried out on the first screen of your i-Connect return, so again, if you're an i-Connect employer, you'll probably know by now, that on the very first, screen of your scheme return - of your return every month, or period, you are adding any new joiners there.

Anyone who's not on i-Connect, so employers who haven't been onboarded to the i-Connect system yet, you are still doing the SS1 New Member spreadsheet, which is available on our website for use. You need to fill that in, and then send that securely to our email address which is automatic - or autoenrolment@nilgosc.org.uk, and that's within 2 months of the date of the member joining. There are Help Notes that are available on the first tab of the SS1 New Member Spreadsheet, so make sure you do refer to the Help Notes because it'll tell you which things are, like which columns are - can be left blank, it'll let you know which ones, are mandatory, it'll let you know about the-the layout that you need to give data in.

If there's any issues with your SS1 New Member Spreadsheet, because of the way that we need to process that, with our admin department, they will come back to you if it's not in the right - their correct layout, and they'll ask you for - they'll ask you to make any fixes that are necessary to it. If the member is part-time, their figures that are in columns AF, AH, and AI are not full-time equivalent, so that's just a note there. It's something that our - admin department have said for us to - make clear to employers because it's something that does happen a lot on the SS1 New Member Spreadsheets. So again, just make sure you read those Help Notes that are available on the first tab of that.

There will be the i-Connect demonstration tomorrow if any of you are signed up to that. That will go through, the full enrolment via i-Connect as well, for any i-Connect employers; it'll be John Wheeler who runs the i-Connect team, who will be doing that tomorrow.

Pensionable Pay: CARE [15:19]

Coming on then to look at pensionable pay. Firstly, what's the definition of pensionable pay under the CARE scheme, and that's anything that's earned from 1st of April 2015 onwards. Pensionable pay is, the definition of it is, all the salary, wages, fees and other payments, and any benefits, in respect of the employment. And then just to note, it's determined by the employer, and reflected in the contract of employment, so it's not something that NILGOSC can come back and say, "this is their pensionable pay."

You, the employer, have all of the full details about their earnings. You can certainly ask us: "Would this be deemed pensionable?" I do get queries about that a lot; and that is something, that we'd consult the regs about - the regulations the scheme regulations to see whether or not that would fall under pensionable pay. And then of course, under the CARE scheme it's that 1/49th of their CARE pensionable pay for the year is always added to the member's pension account at the end of each year around March. So, it's really really important that - that CARE pensionable pay figure is correct, and it includes everything that it should, because it's that, that's getting divided by 49, and that 1/49th added directly into their pension pot, so of course, if that pensionable pay figure isn't correct in any way, the wrong amount is going to be built up in their pension pot. And of course that's going to lead to them having the wrong pension earnings...

Looking then at final salary. Well, final salary just after this slide; I think I have a little bit of information here about exclusions to pensionable pay under the CARE scheme. So there are some things that are excluded from CARE pensionable pay that you definitely wouldn't include whenever you are reporting their pensionable pay figure to us. Lots of exclusions here: Any sum, which has not had income tax liability determined on it. Any traveling subsistence or other allowance in respect of expenses. Any payment in consideration of loss of holidays wouldn't be pensionable. Any payment in lieu of notice; don't include that in the pensionable pay. Payment as inducement not to terminate employment. The monetary value of the provision of a motor vehicle, or any pay that's in lieu of that. Any payment in consideration of loss of future pensionable payments, or benefits. Any award of compensation for the purpose of achieving pens - equal pay. Any payment made to a member on reserve

forces leave. And any non-consolidated non-pensionable payment paid as part of an annual pay award, so lots of different exclusions there, so just to be aware, as an employer that whenever you're reporting that CARE pensionable pay figure to us that it is as accurate as possibly can be, and that you haven't included anything in it, on that grid there that shouldn't be in it.

Pensionable Pay: Final Salary [17:49]

Looking then at pensionable pay under the final salary schemes, that would have been anything earned pre 1st of April 2015. It's much the same as in the CARE schemes, the definition is much the same, it's just that the exclusions are, a bit different under the final salary definition of pensionable pay. It also excludes non-contractual overtime and additional hours, and also excludes any payment to buy out an existing term, or condition of employment.

So the big thing that comes up there, is the non-contractual overtime, and additional hours, so if you're ever back-paying a member, and it includes; say there were proceedings of some sort, and they are entitled to further pay, pre 1st of April 2015, which will then be - they'll be paying pension contributions on that. You need to make sure that any non-contractual overtime, and additional hours that were worked, is not included in that pre 1st of April 2015 final salary pensionable pay that you're reporting... because pensionable pay in the CARE scheme does actually include that non-contractual overtime and additional hours, so just important to remember the difference between those two, and what's excluded and what's not in the 2 definitions of pensionable pay.

Pensionable Pay: i-Connect [19:00]

Onboarded vs. non-Onboarded Employers

In terms of pensionable pay on the i-Connect or the Annual Return. So for i-Connect employers, the way that you would be - reporting the pensionable pay to us, is in each of your i-Connect submissions, you are going to supply the CARE pensionable pay for that particular pay period. You're also going to be supplying the annual CARE pensionable pay for the scheme year, and that will be like a year-to-

date figure. So you know, if you supply it in May, then we'd expect that to be April's figure plus May's figure. And that should be the 2 months added together.

You'll also be supplying the full-time equivalent final pay, and I'm sure John will go through it in the training tomorrow that - that's especially important whenever it comes to your March submission for i-Connect, your last submission of the year, the scheme year, every single year we need to have that FTE, the final - full-time equivalent final pay figure for all members.

For employers who aren't on i-Connect you'll still be using the annual return, and on the annual return you just supply the annual CARE pensionable pay for the scheme year because it's just the full scheme year year-end, pensionable pay figure. And you also do need to supply that full-time equivalent pay for all members. Just a note there at the bottom of the slide [**referring to on-screen slide titled "Pensionable Pay – on i-Connect / Annual Return"**]; FTE final pay must be adjusted for any members that are working term time weeks, so you need to work it to - you need to reduce it to - term - the specific term time weeks that are being worked for that particular member.

Banding of Contributions

Moving on then to look at contributions and the banding process for contributions. So the employer has to assess, the annual pensionable pay that a member has, when the member joins, and assigns a rate, so you need to assign a rate based on that annual pensionable pay figure. You then have to assess in the pay period in which the 1st April falls each year. So every time the 1st April comes around, and a new scheme year starts, you should be assessing all of your members, and making sure that they're in the correct contribution band. The way that you do that, is you assess per job, so for any multi-jobbers, you have to assess those separately, so people who have two or three positions within your employment; they may be 5.5% contribution rate for one, but they may be earning more than another, so they could be 6.5%, 6.8% in the other one.

So just making sure that you're not just blanket-applying a particular contribution rate across multi-jobbers; you need to assess per job and per employment. Do make sure you're ignoring any reduction in pensionable pay due to sickness, child related leave or strike that's happened. Whenever you're assessing for pen - for the

contribution band, you don't take those into account, whenever you're looking at their pensionable pay. For change in employment or a material change that's affecting the pensionable pay, so if an employee or member goes through an hours increase or an hour decrease, they go through a promotion, etc., you then need to decide as an employer; it's your discretion to decide, if you should reassess the rate at that point, and when to apply a new rate from. So, if it happens mid year, there's a change, and their pensionable pay is going to be a different figure, you do need to decide at that point whether it's going to push them into another band, and when you assess that, and when you're going to apply that new rate from.

Banding Policy

Most employers will have a contribution banding policy, which a lot of employers would send that to us, alongside their discretions policy. Please make sure that if you have a contribution banding policy that-that lays out things such as, how you assign the rate, what circumstances you're going to reassess it-reassess the rate in. And just make sure that you're trying to be as consistent and fair in your approach as possible, to avoid issues with your employees: Somebody being reassessed for a rate mid year, somebody else being told that doesn't get done until the end of the year, things like that. So just try to be consistent and fair in your approach, which I think is why most employers will have that contribution banding policy available.

Banding Table

You can see the banding table there. You can see how, depending on the pensionable pay bracket, you have a contributions rate for employees applied to that pay bracket. That's 2025/26 rates. They do shift slightly every year, and we'll always post the new ones on our website whenever we update it in about April, May time. Note that the pensionable pay that's used to assess and to assign a contribution band, is determined by the actual pay, rather than the full-time equivalent pay, so for anyone who's part-time, it'll be their actual pay that they - that they are getting, their actual pension pay they are going to be earning, that you use to assign a contribution rate, rather than working it up to a full-time equivalent one.

It is an employer decision, as I said to - when to reassess where a material change happens throughout the year. We do get a lot of queries throughout the year from

employers saying, you know, "Should I be reassessing at this point? When would this rate apply from?" We can try to guide you as much as possible, but really it depends on your banding policy, and it is your discretion as an employer to decide when you do that. Again, the thing is just to make sure you're consistent and fair in your approach across your workforce.

Monthly Remittance

How do you actually go about paying your contributions, so your employee and employer contributions each month? So that's your LGS6 Monthly Remittance, where you record the contributions that you're paying each month to NILGOSC. That LGS6 Monthly Remittance has to be sent to our Finance team - and that's their email there: finance@nilgosc.org.uk - before the payment due date. Payments of contributions are due on the 1st of every month, and then payments received after the 10th working day will be charged interest, and then there's an admin charge of £150 plus VAT. So definitely worth making sure that you're on time with paying your contributions and sending in your LGS6 monthly Remittance every month in a timely fashion.

Late payment of contributions can result in financial loss to AVC members, so it does have a knock-on effect on the members as well. If they have an AVC, then that's going to affect their AVC pot, so please just make sure that those contributions are paid on time. For any i-Connect employers, you do still need to submit an LGS6 Monthly Remittance form. You will also have the remittance information to fill in at the end of your submission. But as I say, the LGS6 is still due for yourselves, so all employers are still expected to submit their LGS6 Remittance form as usual every single month. We have our bank details there on the screen, which hopefully you have already. As I say, the slide deck will be sent out to everybody who's attended today, afterwards, so, don't worry about taking anything down.

Changes during Membership [25:25]

Moving on then to look at changes during membership, so, what happens if certain things change during membership? What do you, as an employer, need to do, and what do you need to report to NILGOSC? If there's a change during membership, such as an hour change, the employer submits or completes the form LGS25, which

is available on our website, and submits that to NILGOSC. You complete this form for the following changes. So for a job code change or a contribution rate change, for example, do the member have a promotion? Do their hours go up or down? If their contribution rate has changed, then we need that to be recorded on LGS25.

You also complete an LGS25 form when sending into us for any changes to contractual working hours or working weeks for these members. And I've given 3 bullet points there [**referring to on-screen slide, titled “Changes During Membership”**], and this is where kind of McCloud Remedy and stuff comes in. So any members who were active on the 31st of March 2012 and in the Scheme after the 31st of March 2015, they'll come under the McCloud remedy; we need to know everything about their hour changes, anytime that their hours change at all.

Any members with an old Added Years contract, not many of those left in the scheme, but if you do have any members that have that, you do need to let us know of any changes to their contractual working hours or working weeks. And then lastly, any members who were active members before 1st of April 2009 and were aged 45 or over at that time, so for example-so for i.e., they were born before 1st of April 1964, we'll also need to know all the time, whether they've - if they've changed their working weeks or their working hours.

Absences: Sick/Injury [26:58]

Looking then at absences. Firstly, we'll look at sickness or injury absences, and what are your duties as an employer; what do you need to report to NILGOSC whenever that happens? If a member is off work due to illness or injury and their pay is reduced, and they're receiving or they're receiving no pay at all, the member is paying contributions on the actual pay received, that includes any stat sick pay.

Assumed Pensionable Pay

However, the employer is paying contributions on assumed pensionable pay, or APP as we call it, until the member returns to work. So whereas, the member is paying their contributions on the actual pay they are receiving, the employer does pay on the assumed pensionable pay figure, the APP figure, until they get back to work. And that will be as long as they are off for the reason of sickness or injury, so we do get

queries from employers sometimes about that where a member's been off on, you know, long-term sick.

Technically, under the regulations, if an employer is off, and it's due to sickness or injury, the employer still does have to pay on that assumed pensionable pay until they return. Once reduced pay starts, so the employee goes to reduced pay, the employer does have to submit an LGS34 form within 30 days. So you get that from our website. You send it in to us with the information filled in. Once nil pay starts, they go from reduced pay to no pay at all; the employer then completes and submits a fresh LGS34 form within 30 days. That's just to let us know that that member has now gone from reduced pay; they've gone to nil pay now, so we know that they're not earning anything. In that case, we wouldn't be expecting any employee contributions coming in, but we'd still be expecting the employer contributions because the employee isn't getting anything; any reduced pay or staff pay to pay contributions on.

The employer is still having to pay their - percentage of contributions based on that APP, assumed pensionable pay figure. If they're in the 50/50 section, so if you have any members who are in the 50/50 section of the Scheme, and they have gone to no pay due to sickness or injury, you do need to make sure you move them back to the main section of the Scheme. And that's just done via an SS11 that the employer fills in. When their member returns to work after a period of sickness or injury, the employer has to submit an LGS35 within 30 days. That's just to let us know that they've come back to work and they are now earning again; and we'll expect then the employee contributions and employer contributions to start being paid as normal again.

APP in context of i-Connect

For your annual return or your i-Connect return, the cumulative pensionable pay for the year does have to include that APP figure, so please make sure for anyone who was off, for reason of sickness or injury, and APP was in use for paying the employer contributions on that any pensionable pay figure that you are reporting to us, whether it's the period pensionable pay figure for i-Connect employers, or the yearly the-the year-to-date pensionable pay figure on your i-Connect return or your annual return. Make sure that that cumulative pensionable pay figure includes APP, so that

shouldn't just be the reduced pay that the member was receiving whenever they were off on sick.

Why APP?

So the reason that APP is used, is that obviously, usually the employer would pay contributions on the pensionable pay that's received by members, but when a member is on reduced or no pay due to sickness, their pension accrual would obviously be impacted because they're getting less pay and therefore, they'd be paying less contributions and the employer be paying less contributions. Their pension accrual would be impacted in that case, and this is avoided by the employer paying the contributions on the APP instead. That keeps their accrual of pension going, even though they're off, due to sickness or injury.

Upcoming Training

We will be having a session on APP this Thursday [**13 November 2025**] and then the following Thursday as well, Thursday next week [**20 November 2025**], so that'll just focus on APP, the calculation of it, when it's used, and things like that. So make sure if you're in any way unsure of APP, or want to remind yourself of APP, do come to that on Thursday.

Absences: Child-related leave [30:51]

Moving on then to look at absences due to relevant child related leave. This includes anything from ordinary maternity, paternity, adoption leave, parental bereavement leave, and also includes paid additional maternity, paid shared parental leave or paid additional adoption leave. During any of those scenarios, the member pays contributions on the actual pay received, including any stat maternity pay that they are receiving. The employer again pays contributions on the APP to ensure that that member's pension accrual isn't impacted.

If the member then goes to nil pay, the employer has to complete and submit the LGS34 form within the 30 days. If the member again is in the 50/50 section, same as if they're on sick leave, you need to move them back into the same section. So once that nil pay period starts, move them back into the main section if they are in the 50/50 section. And that's done again via that SS11 form. APP does continue again

due - similar to the sick or injury leave. APP continues under the relevant child related leave.

When the member returns to work, then again, the employer submits the LGS35 within 30 days. That tells NILGOSC this member is back to work from child related leave. They're now earning again as usual, and contributions start up again as usual. Please note as it say there in the box [**refers to on-screen slide titled "Absences – Relevant Child-Related"**], this does not include - so relevant child related leave doesn't include things like, unpaid additional maternity leave, unpaid maternity leave, unpaid adoption leave, or unpaid shared parental leave, and that is available at the end of child related leave; that's available to a member to use, but it wouldn't be covered by employer contributions being paid on the APP at all. I will go through that scenario on the next slide, so what happens in that case.

Just to note as well, any members that are on child-related leave, who receive pay which is greater than their APP for any part of that period that they're off, and they should be accruing benefits on that higher level of pay for that period, so for example, if a member comes back in for kit day or stringer day, so they work their kit day, and the pay that they receive for that kit day or stringer day ,is more than the APP that the employer would usually be paying their employer contributions on; it'll be that higher level of pay that both the employee and employer are paying contributions on, for that particular day.

Absences: Authorised Unpaid leave [33:10]

Up to 30 Days

Looking then at what happens if a member is off and it's authorised unpaid leave, so that's where things like unpaid additional maternity, paternity, adoption, shared parental leave come in. It also includes things like unpaid jury service. Also includes things like career breaks where a member is not earning anything. So there are two different things to look at here. First of all, it's - if it's a short-term authorised unpaid absence, and that's anything that's up to 30 days, so 30 days or less. If that's the case, the employee and employer both contribute on the pensionable pay they would have received, except for the absence, and then there's no break in the pensionable service, no forms to complete, the member returns within the 30-day period, and it's

grand because everything's been covered; they're not missing out on any pension accrual.

Greater than 30 Days

The second one then is, what happens if it's an authorised unpaid absence that's longer than 30 days. In that case, there's no contributions paid for the whole period, and that's including the first 30 days. The employer submits the LGS34 form within 30 days; that's telling NILGOSC, this person has started a break in employment, and therefore, there's going to be no pension accrual. On the member's return to work, the employer then submits the LGS35, which again, just tells us, this member has returned from break; they're back working now.

Any lost pension, okay, because they're not going to be making any pension accrual during that time because it's an authorised unpaid absence of longer than 30 days, they will then have a gap in their pension their pension accrual. So, we refer to that kind of as lost pension that they have. If they want to, they can recover that lost pension by purchasing an additional pension contribution contract, or an APC.

And if the member elects to cover that within the 30 days of returning to work, the employer does have to pay 2/3 of the cost. And that's called a Shared Cost APC. So something to be aware of; you do need to make sure you-you as an employer are obliged to let the member know they have 30 days from returning from break to elect to purchase the APC, and the employer then funds 2/3 of the cost, so you do have to tell them whenever they return to work; you have, you know, a period of - a break in your membership here for the pension scheme. you're have - you have a period of lost pension.

You can purchase that - this through an APC, if you elect to do this within the next 30 days, we, the employer, will fund 2/3 of that cost. So make sure you do tell them about that. You do also have a discretion as an employer to extend that 30-day limit whenever they come back. So you can choose to extend it past the 30 days for them to elect for that Shared Cost APC. Again, it's your discretion as an employer; it'll probably be in your discretions policy statement that you have on file, so make sure that you have covered that, so that you know, if and when you may extend that 30-day limit for employees.

Absences: Other [35:58]

Unauthorised Absence

Looking at other types of absences then, so this is things like unauthorised absence, so a member is absent from work, and it isn't an authorised leave in any way. That constitutes a break in the membership and there are no contributions paid for that period and no option to purchase loss pension with APC. So just something to note there. If they're absent without leave, it's completely unauthorised. There's no option when they come back to purchase that lost pension with an APC. And of course, you as the employer would have no obligation to pay anything towards an APC in that case.

Strike Action

If it's a strike, so they're off due to a strike break or strike action; again, that constitutes a break in membership; there's no pension accrual; no contributions are paid for that period; the member can choose whenever they come back from strike action to purchase the lost pension with an APC, but because of the nature of it, because it's a strike, the employer isn't obliged to pay that 2/3. And therefore, that 30-day limit to elect to pay that isn't - it doesn't apply for strikes, so you, as the employer aren't obliged to pay anything. The member can choose whether or not they want to cover the strike break, and cover the lost pension. They can also choose not to, if they want.

Reserve Forces Leave

For reserve forces leave, employee and employer contributions are both due in that case, The employee and employer both pay their contributions on the APP because the member isn't going to be in receipt of any reduced pay or stat pay or anything, so it is just employee and employer, both pay on APP, so the assumed pensionable pay. The employer does have to inform the reservist, so the member is going on reserve forces leave. You need to tell them their APP figure that's due to be used for their contributions. You need to tell them the employee contributions that are going to be due on that, and then the contributions that the Ministry of Defence will pay on their behalf or on your behalf, rather as an employer, and then the reservist then brings that information to the Ministry of Defence who is

effectively going to act as their employer while they are on reserve forces leave. So just make sure that any reservists you are giving them that information whenever they start their reserve forces leave.

For all 3 of those scenarios, so, unauthorised absence, strike, or reserve forces leave, you need to make sure you send in the LGS34 form to us at the start of the break. Tell us what they're off for, tell us why there's a break, and then an LGS35 form when the member returns for - to work, so that we can make sure our member records stay as up to date as possible.

LGS34 and LGS35 Forms [38:15]

LGS34

On the next slide, I just have a snippet from that LGS34 form, which you'd send in whenever the break starts. There are lots of different reasons for the absence there; you can see the top reason there, is the authorised unpaid leave of absence of more than 30 days. So that's where they are going to have a break in their - a break where they have lost pension, and they'll have to decide whether or not they are going to cover that, and then it covers the rest of those, scenarios that we've gone through there, such as reserve forces leave and then unauthorised absence. So just make sure you're ticking the right option there, to let us know why the member is off, that we can make sure that their record is as up to date as possible.

The LGS34 and LGS35, so the things that you need to make sure you supply on both of those forms. The LGS34, which is to tell us that the member has started a break in employment. You need to fill in your employer and member details on that. You need to fill in the date that the break started. Fill in the reason for the absence and that's the multiple choice I just showed you on the slide before. And then also the expected date of return to work, if you have it. Sometimes you won't know that, so if you don't, just select "not known", but if you have the expected date of return, please do give it to us because we'll put it on our system, and we'll be expecting that member to come back in around that time.

LGS35

The LGS35 form then, which is the one that you fill in whenever the member returns from a break in employment. You're filling in again the me - the employer and member details. You fill in the date that the break started. The date the break ended then because you should know the member is back in work now; here's the LGS35 telling you they've returned. Tell us the reason for absence, again, as I said on the previous slide there, that those were all the reasons that are available to you. And then confirm that the member has been advised of the APC option to cover any lost pension, so, make sure that you - you can tick and say, "Yes, I've told them that there's an APC option there so they can pay additional pension contributions to cover any lost pension." Send both of those forms, the LGS34 and LGS35, to our admin department, and that's admin1post.incomingemails@nilgosc.org.uk. That'll be on the forms themselves, too, so you always know where to direct those. Make sure you send those within 30 days of the start or the end of the break, so LGS34, 30 days within the start of the break, LGS35, 30 days within the end of the break.

Additional Pension Contributions [40:31]

Moving on then to look at additional pension contributions, and then we'll look next at additional voluntary contributions. Additional pension contributions or APCs are used for 2 things, and that's to cover first - or to cover lost pension, and also to purchase additional pension.

Option 1. Purchasing Additional Pension

I'll start here by looking at purchasing additional pension, so a member can choose to purchase an APC contract and then build up or purchase additional pension that they are going to be able to use, whenever they retire. The maximum additional pension that they can buy is £8,823. That's the 25/26 figure, so it can change per year.

Good Health Medical

They do need to pass a Good Health Medical check to - be able to start paying towards an APC to purchase additional pension. The cost of that is £172 [**updated monetary amount of £177**] now for 2025/26. The reason for the Good

Health Medical is basically because we need to make sure that member is-is in good enough health so that they can keep paying off that APC contract to eventually purchase that additional pension. So if they're saying, "I want to pay this amount of extra contributions for the next 5 years, so that I can eventually have this amount of extra pension purchased when I retire" we need to make sure that member is in good enough health that they can actually sustain that for the next 5 years. The cost of buying that is determined by their age, the length of APC contract, and their state pension age, so how close they are to actually come into their state pension age.

LGS27A Form

If they want to purchase an APC, the member submits-submits an LGS27A form directly to us, directly to NILGOSC. And if their application is successful, they've gone through the ill health - or the Good Health Medical rather, NILGOSC writes to the member and the employer, confirming the additional monthly contributions, the employer should deduct from the member's pay. So if they have chosen to pay additional monthly contributions over 5 years to buy this additional amount of pension, we'll let you know, the application's successful, here's the information for you as an employer of what you should be additionally taking off in terms of pension contributions each month from their pay.

Lump Sum

The member can choose with an APC to just pay a lump sum towards it, in which case, there wouldn't be monthly deductions to worry about; they would just pay a lump sum of extra contributions, and that would guarantee them that additional pension when they come to retire. The member can, as I say, pay by monthly contribution or by lump sum, that's their choice, and they choose whenever they are applying for it. Make sure that your APCs, so any members paying any APCs; they are accounted for in the Monthly Remittance to NILGOSC and in the annual returns. There is a section for that in both; just make sure that you are putting in there any members who are paying APCs, so we can make sure that their record stays as up to date as possible.

Shared Cost APC

If the employer does agree to a Shared Cost APC, so there - there are Shared Cost APCs you can choose to pay towards an APC to purchase additional pension. Make sure that you're fair and consistent in your approach to do that. I believe there is something in your discretions policy about that, so make sure that you're applying that correctly. You can choose to; you don't have to. When it comes to paying a - paying APCs to purchase additional pension, you as an employer, it's your discretion, whether or not you want to or you're willing to pay towards that as a Shared Cost APC.

Option 2. Covering Lost Pension

Looking down at the second reason that additional pension contributions or APCs are used, and that's again to cover lost pension, and that's due to unauthorised - or due to authorised unpaid leave, or strike action. If this is the case, and the member is looking to cover that lost pension, the member completes the LGS27B form, and forwards it to you, the employer. The employer then has to complete their section and then forward it to NILGOSC. There's no Good Health Medical required if the APC is for covering lost pension. Whereas there is a Good Health Medical required if it's just to cover addition - or just to buy additional pension rather to purchase additional pension. When they're covering lost pension, no Good Health Medical's required for the APC. NILGOSC writes to the employer and the member, confirming the additional monthly deductions, the employer should deduct from the member's pay. And then the member can choose to either pay by the regular contributions - regular monthly contribution or by lump sums. They still have that option if it's to cover lost pension.

Implementation Period

Again, make sure that you, the employer; you're obliged to let the member know they have 30 days from returning from that break, to elect to purchase the APC, with the employer then, funding 2/3 of that cost. If it is the case, they've returned from a break in employment and they are interested in a Shared Cost APC to cover the authorised break, what you need to do then is, for the authorised unpaid absence of over 30 days; make sure you realise the employer you're obliged to meet the 2/3 of the cost. If the member has elected to cover the lost pension within the 30 days of their return,

as I said before, the 30-day limit can be extended at your discretion. You can only cover as an employer a period of up to 36 months for lost pension, so make sure that you are within that period.

Implementation Process

You, the employer, need to calculate the amount of lost pay or APP for that member. So you use assumed pensionable pay for calculating that. So you need to say to the member "this is how much APP, or how much lost pay, using the assumed pensionable pay figure that is involved here", and the member then uses that pay figure, on the APC calculator that's available on the NILGOSC website, and that tells them basically how much they'll need to be paying towards - purchasing that-that lost pension figure.

The member then completes the LGS27B form, submits that to NILGOSC, and once they're advised by NILGOSC, the employer can then commence deductions of the APC or the lump sum. We do recommend that your policy statement on your employer discretions, covers when, or if you will, extend that 30-day limit the - for the member to elect to cover that lost pension, and for you, the employer, to pay the 2/3. So just try to make sure that that's included in your discretions policy as much as possible, so you can make sure that your approach is as consistent and-and fair as possible. Again, just remember if it's an APC to cover strike actions, the member was off to strike action, then there's no obligation for you, the employer, to share that cost at all, to pay that 2/3 of the cost.

Additional Voluntary Contributions [46:45]

Looking then at the second option for paying additional contributions, there's the additional voluntary contributions or AVCs available to members as well. These are paid to Prudential, who is our in-house AVC provider. The member applies for an AVC via Prudential's website, so rather than applying via the LGS27B form, which is just used for APCs with NILGOSC, this is with Prudential, so the member applies via Prudential's website directly. Prudential advises the employer and NILGOSC of the new AVC arrangement-arrangement, if the member has been accepted for an AVC.

The employer then starts deducting the additional voluntary contributions from the member each pay period. That can either be a cash amount or a percentage of the

pensionable pay, so they decide that whenever they take the AVC out, and then the employer needs to send those contributions directly to Prudential. Because it's a direct payment to Prudential, make sure that you're not sending those AVC contributions to NILGOSC. APC contributions come to NILGOSC. AVC contributions go directly to Prudential. The contributions that are deducted, must be paid to Prudential within 19 days of the end of the calendar month in which the AVCs have been deducted, so make sure you're within that time limit there.

Resources for employers paying AVCs; lots of resources available on Prudential's website, I've linked it there for you, which you'll have the slide deck for as well. So go on there; make sure that if you are unsure about anything to do with members taking out and paying AVCs; lots lots of information there on their website. AVCs again, similar to APCs; they should be detailed in your Monthly Remittance to NILGOSC, and in your annual return or on i-Connect, if you're an i-Connect employer. So make sure; there is a section on i-Connect and on the annual return to, and on the Monthly Remittance, the LGS6, to let us know about any AVCs or APC contributions that are being paid for that period.

Other Employer Duties [48:39]

In terms of other employer duties then, so things that you need to also be aware of, throughout the scheme year. LGS40 forms, really really important. These are to let us know of any employer contact details change, so if you know payroll, HR, the contact information changes for those, if the chief executive or principal contact changes; let us know about that as well. Really important that we're informed because otherwise our database that we use to send queries out, send paperwork out, send notification of seminars coming up out, won't be correct and the right people won't get it. So, chief executive contact, salaries contact, personnel or HR, pensions, equality contacts; all need to be kept as up to date as possible.

Also really important that the authorised signatories section of the LGS40 form is filled in as accurately as possible because some of those can be quite out of date, and the last thing we want, is for somebody who doesn't work there anymore to be able to sign off on paperwork, if they shouldn't be able to do that. Other employer duties also, contain the completion of the annual return every year. If you're an i-

Connect employer, you won't do that because you'll just be submitting all of your figures on your i-Connect return instead.

There's also the upkeep of your discretions policy. Please do send in discretions policies to me, if you want me to have a read through them. I can have a look through and let you know anything that I notice that, may need to be added in or, added to. There's also the annual request of pay and pension information; that's usually the pay and pension disclosure requests, so make sure that you respond to those as well whenever those come up.

Overview of Forms [50:18]

There is an overview of forms there, again, don't worry about taking anything down from this because you'll have the slide deck. So if so, in terms of the events that could happen there throughout the scheme year, so a member joins the Scheme. The form that you're looking at there, is either the SS1 New Member Spreadsheet or if you're an i-Connect employer, everything's done for joining via i-Connect. The time frame that's attached to that, so two months from the start date that the member starts employment. The email that's attached to that there, if you're sending in the SS1, has the automatic enrolment email address.

In terms of other events, there's the Monthly Remittance form, there's the LGS6 form that needs to come in, that's attached to your Monthly Remittance. Please make sure that comes in within 10 working days, and that's sent directly to our finance department. For changes in job code hours, weeks, etc. make sure you're sending in your LGS25, if it's necessary, or on i-Connect, if you can put the hours in on i-Connect, do that. If you're an i-Connect employer, do that within two months of the change, so that we can keep everything as up to date as possible.

Any forms that are coming in for the LGS25, make sure that goes to the admin1post email address which will be on the top of that form. Any relevant absences, so for breaks in employment or breaks in pension accrual, LGS34 i-Connect can also be used if you're used the i-Connect payroll extract. I don't believe on the online return for i-Connect, you can put in about breaks in employment, but certainly the payroll extract you can.

Any non i-Connect employers; LGS34 is what's needed still; fill that in, send it into us within 30 days of the break starting, and again send it to our admin1post email address. Once the member returns from break, again, if you're on i-Connect and you're using the payroll extract, you can put the date of return in on that submission and send it through to us. That functions as the LGS35 for us. If you're not on i-Connect, LGS35 is necessary; send it into us within 30 days of the member returning from leave, so that we can keep everything as up to date as possible. Send it into our admin1post email address.

I've also put a little link there at the bottom of the slide [**referring to on-screen slide titled "Overview of Forms"**] We do have a flowchart on our website, which is a flowchart for forms and that-that takes you through "okay, this event has happened. What forms will I need to send into NILGOSC When do I need to send them in?" So that's quite useful as well as a resource for employers.

NILGOSC Website Resources [52:35]

In terms of resources available on our website, I mentioned the website quite a few times there. Please do remember there is a whole employer section on our website, which has lots and lots of information about how the pension scheme works, how contribution banding is assigned, automatic enrolment, contractual enrolment, the cyclical re-enrolment every 3 years; a whole wealth of information. We also have all of our guides, if you go into the employers tab on our website, and then go into resources, there's - you can go into the guides, the forms for employers, so the LGS34, LGS35, LGS25 forms and so on. They're all available there.

In terms of some of the really really useful guides, I've just put pictures of them there. There's the Employer Guide to the 2015 scheme, which is the current scheme we are in now. That is due to be updated for year end '26 now, so that new version will be published soon, but all - most of the guidance that is there in the current version, is all correct, so you can still use it. There's also the guides for employers on their employer discretions, so how to build your discretions policy. There's the Payroll guide to lo-Local Government Pension Scheme, so for payroll departments. That should keep you right, and it'll have lots of information about your duties, as payroll staff. There's also the brief guide to Automatic Enrolment which I - referred to

at the start of the presentation there, which will take you through your automatic enrolment duties as an employer.

The Pensions Regulator again, I always try to point employers in the direction of. We can, you know, speak to you about automatic enrolment but ultimately it is your responsibility as an employer, to make sure that you are meeting those automatic enrolment requirements, so as I say, we can answer queries about it, but a lot of the time I'll try to push you in the direction of the Pensions Regulator website.

I've shown you some of the forms there on the screen as well, so there's that LGS6 remittance form, which you fill in and send to our finance department every month. There's the LGS25 amendment details form for any changes to an - a member's employment. And then there's the LGS34 form there as well for any breaks in employment

How to contact NILGOSC, Training Enquiries [54:37]

How to contact us, so lots of different ways to do this. Firstly, if you just want information, you can go to our website; so I say, wealth of resources there. Check the website first because you'll probably find your answer either on the website pages or in one of those guides. If you're still stuck, and you need information from us, please do email us. You can email info@nilgosc.org.uk, which is our main reception desk. Any queries that come in through there, our receptionists will give them out to either our admin department or to me, depending on where they think they need to go.

I've also linked my email address there which is seminars@nilgosc.org.uk. So I respond to anything that comes into that - inbox if you know that the query is going to be specifically for me. There's our telephone number there as well, again, that's just our main help desk number at reception, so they will put you through to whoever is most appropriate to help you with your query.

You can also visit us as employers. Please do let me know if you're wanting to come in and visit us; usually that will be if you know there are changes coming up to your changes coming up that will be affecting your organisation that you need to discuss with us. If you particularly want, specific training, just you as an employer would like training, please do let me know, contact me, and we can arrange that for you as well.

But certainly if you're going to visit us for any reason in person, do let me know or let reception know first so we can make sure we have a-a-a date that's appropriate and an appropriate place to host you whenever you come here, so we can book a room for you.

Thank you very much for attending today, I appreciate it. We do have further training sessions throughout the rest of the week, and throughout next week as well, so just keep up to date with those in our website - in the employer tab and the training and events section. Please do attend as many as you want to. Okay, thank you everybody.