# A logo for a government agency  Description automatically generatedA logo with a black rectangle and red letters  Description automatically generated

# Royal County of Berkshire Pension Fund Option to pay back contributions to avoid a period of ‘lost pension’

**Actions to be taken by Scheme employers**

1. Identify members who have returned to work following a break in service due to child-related leave or agreed unpaid leave.
2. Send a list of all those members to the Pension Fund setting out Name, National Insurance Number, Date of Birth, Payroll Number, Post Reference (if member has

more than one job), and Date of Absence. Submit this to info@berkshirepensions.org.uk

1. Check that none of your scheme members who have had a leave of absence have already entered into an APC contract to purchase the maximum additional pension permissible (currently £8,903) as this would deny them the opportunity of buying back the pension they have ‘lost’ as a result of their absence.
2. Write to your scheme members using template letter 1 and enclose the guide ‘Option to pay back contributions to avoid a break in service’ produced by the pension team.
3. Provide details of the \*Assumed Pensionable Pay, dates of absence, reason for absence and confirmation of the section of the scheme (MAIN or 50/50) into which the member contributes as part of template letter 1.
4. Once an application form has been returned by the member and received in payroll, arrange to make the necessary deduction as a monthly amount or lump-sum (depending on the method of repayment that the member has opted for). Complete template letter 2 and send this to your employee remembering to send a copy to the pension team at info@berkshirepensions.org.uk
5. Make sure that for all members who do buy back their ‘lost’ pension that you add the ‘lost’ pay figure to the member’s Cumulative Pensionable Pay (CPP) when submitting your year end return to the pension team.

**\*Assumed Pensionable Pay (APP)**

APP is calculated as an annual rate then applied to the relevant period as a proportion of that rate. The annual rate is calculated as follows:

Calculate the average of the pensionable pay for the 3 complete months prior to the relevant. Gross up the figure as calculated to an annual figure. If 3 complete pay periods do not exist use whatever number of pay periods that are available. For weekly paid staff simply replace 3 months with 12 weeks.

**EXAMPLE:**

Leave of absence from 1 July 2025 to 15 July 2025 (15 days).
Last 3 full pay periods would be April, May and June 2025.
Earnings were:

April 2025: £1,000
May 2025: £1,000

June 2025: £1,200

Total earnings for the 3 months is: £3,200 x 12÷3 = £12,800 p.a.
£12,800 ÷ 12 = £1,066.67 ÷ 31 x 15 (days) = £516.13 (APP)

 If the member goes ahead and buys back their ‘lost’ pension the APP figure of £516.13 must be added to the Cumulative Pensionable Pay (CPP) when submitting the full year’s CPP for that member to the Pension Fund.

For the purposes of calculating APP for a period of child-related absence the relevant event is the date from which the member goes into reduced pay.

The relevant event for a period of authorised unpaid leave is the first day of the absence.