

Coronavirus (COVID-19) FAQs for LGPS Members

I am concerned about my financial situation because of the COVID-19 – what can I do?

The Money Advice Service has published guidance on how to deal with the financial effects that you may be suffering due to the coronavirus pandemic. It covers all aspects of your finances including problems with paying mortgage and rent payments, debt and claiming benefits.

<https://www.moneyadviceservice.org.uk/en/articles/coronavirus-and-your-money>

Can I stop my pension contributions?

Yes, but you might want to consider joining the 50/50 section of the LGPS instead of opting out. If you do, you'll pay half your normal contribution rate and build up half your normal pension. You will retain full life and ill health cover and you can move back to the main section whenever you are ready. Although the 50/50 section is designed for you to be in that part of the scheme for a maximum of 3 years.

You can use the contributions calculator to check what difference this would make to your take home pay:

<https://lgpsmember.org/more/contscalculator.php>

If after considering the 50/50 section you decide you would like to opt out, you can obtain an opt out form from the Clwyd Pension Fund's website: <https://mss.clwydpensionfund.org.uk/home/active-members/publications-news-forms/index.html>. This should be completed and returned to your **employer**.

You should take independent financial advice before deciding to opt out.

The coronavirus pandemic is affecting stock markets, will this affect the value of my LGPS pension?

No, the LGPS is a defined benefit pension scheme which means your pension is based on your salary and how long you've paid in. Your pension is not linked to stock market performance, so both your contributions and your pension, whether in payment or not, will be unaffected.

Will my AVC value with the Prudential be affected by COVID-19?

If you have an AVC, it is possible the value may have reduced - this will depend on the funds you have chosen to invest in. The Clwyd Pension Fund is in contact with the Prudential and they have advised that they have been setting up their staff to work from home so you can still speak to them as before. However, Prudential have asked members to view their AVC fund information online first and then only call if they have any further questions. You can view your AVC account online at www.pruetire.co.uk

The Prudential have also put together some FAQs about AVCs and COVID-19. Their official statement can be seen at: <https://www.pru.co.uk/investing-in-uncertain-times/>

I am receiving a pension from the LGPS, will my pension still be paid to me?

Yes, the Clwyd Pension Fund will prioritise paying pensions during these uncertain times.

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

This will depend on the reason for the pay reduction:

- Sick leave

If your pay is reduced or you receive no pay because you are off work due to sickness or injury, your pension builds up as if you were at work receiving normal pay.

You will continue to pay contributions on any pay you receive during your sick leave.

- Authorised unpaid leave

If your employer allows or requires you to take a period of unpaid leave, you will not build up any pension for the period unless you choose to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost.

If you choose to pay APCs to purchase the amount of pension lost and you make your election to do this within 30 days of returning to work, the cost will be split between you and your employer.

You can find more information, use an online calculator and download an application form from the LGPS member website: <https://www.lgpsmember.org/more/apc/index.php>

- Coronavirus job retention scheme leave

The Government has confirmed that they do not expect public sector organisations, such as councils, to use the coronavirus job retention scheme, except in some very limited cases. Public sector employers should continue to pay staff in the normal way even if they are not at work.

If your employer is able to use the job retention scheme and you both agree, your employer might be able to keep you on the payroll if they're unable to operate or have no work for you to do because of coronavirus (COVID-19). This is known as being 'on furlough'.

If this applies to you, your employer could pay 80% of your wages up to a monthly cap of £2,500. The Government will fund your employer to do this. Employers can choose to top up your pay to 100%, but if you receive less pay when you are 'on furlough', the amount of pension you build up during this period will also be reduced. You will continue to pay pension contributions on the pay you receive.

You can pay Additional Pension Contributions (APCs) to buy **extra pension** to make up for the pension lost during this period. Your employer does not have to pay towards the cost, but they can choose to.

You can find more information about paying APCs, use an online calculator and download an application form from the LGPS member website:

<https://www.lgpsmember.org/more/apc/index.php>

Final salary pension benefits built up before 1 April 2014 are usually calculated using the pensionable pay earned in the 365 days leading up to leaving the scheme; however, one of the two previous years' pay can be used if it is higher. This can prevent final salary benefits from being detrimentally affected if the member's pay is reduced due to being on furlough.

The GOV.UK website provides more information on the job retention scheme for employees.
<https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme>

- Emergency Volunteering Leave (EVL)

The Government has introduced a new volunteering scheme to allow the public to contribute to the coronavirus response. The scheme allows workers to take unpaid statutory emergency volunteering leave to volunteer in health and social care authorities.

If you take a period of EVL, your LGPS pension benefits will build up in the same way as if you were working normally.

You will only pay contributions on any actual pay your employer pays you during the period.

If any LGPS members are seconded on emergency staffing to the NHS, their pension benefits continue on the same basis as before the secondment.

- Other reasons

For information about the impact on your pension if you are away from work for any other reason, such as child related leave or reserve forces leave, see the LGPS member website:

<https://www.lgpsmember.org/arm/already-member-absence.php>

How will being on furlough leave affect a member's death in service benefits?

Assumed pensionable pay (APP) is used in the calculation of the death grant and any survivor benefits if a member dies in service. APP is usually calculated using the average pensionable pay the member receives in the three months before the pay period in which they die.

If a member receiving reduced furlough pay dies in service, employers should make use of the provision in the regulations that allows them to substitute a higher pay figure to reflect the pensionable pay the member would normally have received.

When determining the employee contribution rate on 1 April 2020, should furlough pay be used?

Yes, if furlough pay forms all or part of a member's pensionable pay it should be used to determine the employee contribution rate on 1 April 2020.

Regulations in England and Wales, provide that where there is change to employment, or a material change, during the year, the employer may make a further determination and reallocate a member to a different band. The employer must notify the member if they reallocate a member to a different band.

A deferred or pensioner member is part of the emergency staffing; how does this affect their pension benefits?

Deferred and pensioner LGPS members who return to work in local government or are offered contracts of employment with the NHS (as part of emergency staffing) will have access to pension provision in the appropriate pension scheme. If they are issued with an NHS voluntary agreement it does not constitute an employment contract and therefore, they will not have access to the NHS pension scheme.

Will the Clwyd Pension Fund abate a member's pension if they return to work?

The Government's policy is that pensioners who return to roles as key workers should not be financially penalised for helping tackle coronavirus (COVID-19). On 19 March the England & Wales Scheme Advisory Board (SAB) sent a letter to the chairs of pension committees to that effect.

How will coronavirus (COVID-19) affect the service my local LGPS fund provides?

The Clwyd Pension Fund is adapting our working patterns to ensure we can continue providing a service whilst monitoring the latest Government advice to protect our staff.

We will prioritise paying pensions and processing death benefits, so it may take longer than normal to deal with other work, such as transfers, estimate requests and general queries.

If you need to contact us during this period, please email us with any queries to pensions@flintshire.gov.uk quoting your name and NI number in your email.

Don't forget that our Member Self Service portal is available for you to log on and view your pension documents, run scheme benefit estimates, locate Clwyd Pension Fund forms and change personal details. If you are not currently registered for Member Self Service, then email in with your name, national insurance number and date of birth to mss@flintshire.gov.uk to obtain an activation key.

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're also very likely to target the vulnerable. Beware of investments that appear to be too good to be true.

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** (https://register.fca.org.uk/ShPo_HomePage) and **Warning List** (<https://www.fca.org.uk/scamsmart/about-fca-warning-list>) to check who you're 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 **FCA Register** to check that you're 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. Their website is: http://www.actionfraud.org.uk/report_fraud/