NHS Pensions - Maternity leave, paternity leave, parental leave and adoption leave

A member can continue to be pensionable throughout any period of absence for maternity, paternity, parental or adoption purposes. This is referred to in this factsheet as 'special leave'.

Employers must provide the member with the necessary information about pension arrangements before they start any period of 'special leave' for maternity, paternity, parental or adoption purposes.

Contributions

Pension contributions can be paid regardless of whether the special leave is paid or unpaid.

Member in receipt of full pay

When a member is on special leave, Agenda for Change (AfC) terms and conditions state that full pay is calculated using the average weekly earnings rules and also takes account of any pay awards or annual increments before or during paid leave. So the pensionable/reckonable pay/pensionable earnings received during a period of full pay special leave may not be the same as the pensionable/reckonable pay/pensionable earnings immediately before the leave commenced.

There should be no difference in the employer pensionable/reckonable pay/pensionable earnings and the employee pensionable/reckonable pay/pensionable earnings whilst the member is on full paid special leave. Both the employer and employee pensionable/reckonable pay/pensionable earnings should be based on the same earnings figure i.e. the full pensionable/reckonable pay/pensionable earnings received.

Member in receipt of half pay

1. Calculate employer’s contributions on the member’s unreduced pensionable/reckonable pay/pensionable earnings as though the member was not on special leave.
2. Deduct employee’s contributions on pensionable/reckonable pay/pensionable earnings actually received.

Member in receipt of Statutory Pay (e.g. Statutory Maternity Pay, Statutory Adoption Pay)

1. Calculate employer’s contributions on the member’s unreduced pensionable/reckonable pay/pensionable earnings as though the member was not on special leave.
2. Deduct employee’s contributions on the amount of statutory pay.

Member on unpaid leave
1. Calculate employer’s contributions on the member’s unreduced pensionable/reckonable pay/pensionable earnings as though the member was not on special leave.

2. Calculate employee’s contributions on the rate of pensionable/reckonable pay/pensionable earnings immediately before any period of unpaid special leave begins.

**Tiered contributions**

Information about tiered contributions during a period of special leave can be found on the Contributions page of our website.

**Added Years/Additional Pension/Early Retirement Reduction Buy Out (ERRBO)**

Additional contributions continue to be payable on the pensionable/reckonable pay/pensionable earnings the member was receiving prior to any period of special leave.

**Part time members**

If the member works part time the ‘deemed’ hours (the hours they would have worked) should be included in the membership updates for both 1995/2008 and 2015 Schemes.

Pensionable/reckonable pay/pensionable earnings for benefit purposes will be the based on the member’s normal level of pay/earnings. This will be the whole time equivalent pensionable/reckonable pay for a 1995/2008 Scheme member or the actual pensionable earnings for a 2015 Scheme member.

**Member decides not to return to work**

If the member initially intends to return to work and has already paid some contributions during the period of special leave and then decide to not return to work, the last day of membership will be treated as the last day up to which pension contributions were paid.

If the member does not intend to return to work they are still entitled to pay pension contributions during the period of statutory leave.

Employers must provide the employee with the Leaving Early and Transferring Out Guide (available from our website), which gives the member the necessary information about the pension choices available to them.

All members, whether they opt out or leave the Scheme, should be made aware that pensionable membership will not be extended unless contributions are paid. The level of pension benefits will be affected by the length of Scheme membership.

**Annual leave**

If the member has annual leave after a period of statutory leave and does not return to work the date of leaving the Scheme will be the last day they pay pension contributions plus any untaken annual leave entitlement.

Where an employer gives a higher annual rate of pensionable/reckonable pay/pensionable earnings throughout an employment instead of a period of annual leave itself, the higher rate of pensionable/reckonable pay/pensionable earnings is pensionable. A member may receive benefit if the period falls within the pay/earnings reference period.
Keep in Touch (KIT) days

Keep in Touch (KIT) days are where a member carries out up to 10 days work during the special leave period.

Any part of a day worked will be counted as a full day for pension purposes.

For pension purposes, KIT days do not break the period of special leave. The member will pay contributions on the pensionable/reckonable pay/pensionable earnings received for the KIT days. After the KIT days, contributions are once more payable based on the amount immediately before the KIT days.

Paid maternity leave: amount of pay flexibilities

By prior agreement with the employer, occupational maternity pay may be paid as a combination of full pay and half pay or a fixed amount spread equally over the maternity leave period.

Where a member has 6 months paid and 6 months unpaid leave, but the pensionable/reckonable pay/pensionable earnings is averaged out over the 12 month period, contributions will be deducted based on the underlying entitlement.

This provision does not apply to locum practitioners.

Frequently asked questions

What if the member can't afford to pay pension contributions whilst they are on special leave?

Arrears of pension contributions built up during a period of unpaid special leave can be collected when the member returns to work provided they are collected within a reasonable amount of time. This should be agreed between the employer and the member.

If the member returns to work after their special leave, do they have to stay on the same contract?

The terms of the member’s contract are between the employer and the employee.

Can the member have a refund of any contributions paid during their special leave?

No, if contributions have been correctly paid on any part of the period of special leave, whether paid or unpaid, they cannot be refunded (unless the member subsequently leaves the Scheme with entitlement to a refund of contributions).

What if the member moves to another employing authority before they start their special leave?

The situation of Statutory Maternity Pay (SMP) being paid by the previous employer and Occupational Maternity Pay (OMP) being paid by the new employer is most likely to arise with junior doctors who change contracts.

Although the SMP is being paid by the previous employer it is in respect of a period of later maternity leave that is still pensionable. SMP is normally pensionable as if the member had remained with the
previous employer or even if they had left NHS employment altogether the SMP is still pensionable as it counts as earnings.

Employer contributions are payable on the full unreduced pensionable/reckonable pay/pensionable earnings as though the member is not on maternity leave and therefore no employer contributions would be due from the previous employer.

As NHS Pensions records will show the new employer during the maternity leave period, any pension contributions deducted for SMP by the earlier employer will need to be reflected during the maternity leave period in the new employment. It will therefore be necessary for both employers to liaise regarding the payment of pension contributions.

**Can an employee join the Scheme during their special leave?**

No, an employee cannot join the Scheme during any period of absence from work (this includes any employee who has opted out of the Scheme).