

Optional pension contributions during maternity and adoption leave

Rule G2A explains how a regular firefighter may elect to pay pension contributions to reckon a period of maternity or adoption leave which would otherwise not count as pensionable service

Background

With effect from 23 June 1994 certain pension rights for those members of a pension scheme who took maternity leave had to be protected. More recently similar provisions must apply in respect of adoption leave and paternity leave.

Apart from protecting the level of pensionable pay during a period of such absence, a scheme member will also be allowed to count certain periods of absence as pensionable service whether or not contributions are paid.

Other periods of absence may count subject to the payment of pension contributions. But the level of remuneration upon which those contributions are assessed will, in many cases, be at a lower rate than the remuneration the person would have received had they not been on this special type of leave.

Rule F2A explains what periods may count as pensionable service if a regular firefighter takes maternity, paternity and adoption leave.

Rule G2A explains the option for a firefighter to pay special contributions to ensure that certain periods of unpaid maternity and adoption leave may count as pensionable service.

Periods of service covered by Rule G2A

Rule G2A(1) explains that a firefighter can elect to pay contributions under Rule G2A if he/she has a period of unpaid additional maternity leave or unpaid additional adoption leave. If Rule G2A contributions are not paid these periods will not count as pensionable service.

(Paid maternity leave, unpaid ordinary maternity leave, and paid adoption leave will all count as pensionable service without the need to pay contributions under Rule G2A. Rule G2A does not apply to paternity leave because under current statutory provisions all paternity leave is paid and will count as pensionable service.)

Rate of contributions

Rule G2A(2) requires that the contributions will be paid at the standard basic rate required under Rule G2 but the pay they will be based on will be the rate of pensionable pay the firefighter was receiving immediately before the unpaid period commenced. "Pensionable pay" for this purpose will include any statutory maternity or adoption pay under the Social Security Contributions and Benefits Act 1992. In many cases this will be a lower level of pensionable pay than would have been paid if the firefighter had not been on maternity or adoption leave.

Making an election

Rule G2A(3) says that an election can be made by giving notice in writing to the fire and rescue authority within the appropriate time limit.

Optional pension contributions during maternity and adoption leave**Rule G2A (continued)****Making an election (continued)**

The time limit requires the notice to be given within 30 days of the day on which the firefighter returns to work. If the firefighter does not return to work after the leave period the notice must be given within 30 days of the day he/she ceased to be employed by the fire and rescue authority. The period of 30 days could be extended at the discretion of the authority.

Rule G2A(4) says that if the firefighter dies within these time limits without having given notice, notice is deemed to have been given and the contributions to have been paid. This could potentially increase the death benefits due.

Payment of contributions

On receipt of the notice, the fire and rescue authority is required by Rule G2A(5) to calculate the amount of contributions due and to give written notice of the amount to the firefighter.

Payment of the sum due should be made within 6 months of the date the fire and rescue authority's notice is given. If the payment has not been made, the period will not count. If the payment has been made but in part only, Rule G2A(6) will allow the firefighter to count as pensionable service a proportion of the period relating to the contributions paid as a proportion of the contributions due.

Old cases

Rule G2A came into force on 13 September 2004 but it has effect from 23 June 1994 for maternity leave and from 8 December 2002 for adoption leave. If a firefighter has had a period of additional maternity or adoption leave which ended before 13 September 2004, Rule G2A(7) will allow the provisions of Rule G2A to apply provided the firefighter gives written notice to his/her fire and rescue authority (or the authority by whom he/she was last employed if no longer a serving firefighter) by 1 January 2005.

Useful reference source

- FSC 30/2004: introduction of option to pay contributions under Rule G2A in order to count a period of unpaid additional maternity or adoption leave as pensionable service

Points To Note

1. Because the protection of benefit provisions added by Rules F2A and G2A in September 2004 are based on statutory requirements it may be that fire and rescue authorities have already dealt with cases of maternity, paternity and adoption leave along these principles.
2. Between 1994 and the introduction of these provisions there were 3 different maternity leave "regimes". The wording of Rule G2A allows for these 3 "regimes". Pages F2A-Chart 1 give flowcharts which explain the current effect of maternity leave on pension rights. Similarly, Pages F2A-Chart 2 and F2A-Chart 3 explain the effect of adoption leave and paternity leave respectively.