
CIRCULAR

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No. 129 – JANUARY 2003

RESERVE FORCES SERVICE LEAVE

Purpose of the Circular

1. The purpose of this Circular is to notify authorities of the pension provisions governing reserve forces service leave in the light of the potential call-out of Reserve Forces.

Reserve Forces Service Leave and the LGPS

2. Regulation 17 of the Local Government Pension Scheme Regulations 1997¹ provides that a person who is a member of the Local Government Pension Scheme (LGPS) or who has applied to be a member of the LGPS must, whilst he/she is on reserve forces service leave, pay his/her basic pension contributions (and any additional contributions he/she may be paying to purchase added years in the LGPS) if, **and only if**, during the period of leave his/her reserve forces pay equals or exceeds the pay he/she would have received if he/she had continued to be employed by the authority. If this is the case, his/her contributions would be due on the pensionable pay he/she would have received from the authority had he/she not been on reserve forces service leave and the service would count in full for pension purposes.
3. If, however, the reserve forces pay does not exceed the pay he/she would have received if he/she had continued to be employed in his/her employment, pension contributions (including any additional contributions he/she may be paying to purchase added years in the LGPS) are simply deemed to have been paid and the service counts in full for pension purposes.

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¹ Regulation 16 of the Local Government Pension Scheme (Scotland) Regulations 1998.

4. A person who is paying additional voluntary contributions (AVC) or Shared Cost AVCs continues to pay those AVCs / SCAVCs unless he/she opts to stop paying them. It is important that any AVCs / SCAVCs being paid to provide life assurance cover should continue to be paid in order that the additional death benefit cover continues in place.
5. If, during the period of reserve forces service leave the person attains normal retirement age, or becomes incapable for health reasons of working efficiently in local government employment, or dies, he/she shall be treated as if he/she were in that local government employment at that time.
6. The Reserve Forces (Call-out and Recall) (Financial Assistance) Regulations 1997 [SI 1997/309] provide for the adjudication officer to include, within an award made to an employer in respect of a reservist who has been called-out, a sum in recompense for the employer's contribution into the LGPS.

Actions for administering authorities to take

7. Administering authorities should consider copying this Circular to all employers in their Fund that may be affected by the above (other than to local authorities in England and Wales to whom this Circular has been sent direct).

Terry Edwards
Assistant Director (Pensions)
6 January 2003

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<http://www.lg-employers.gov.uk/pensions/index.html>

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