

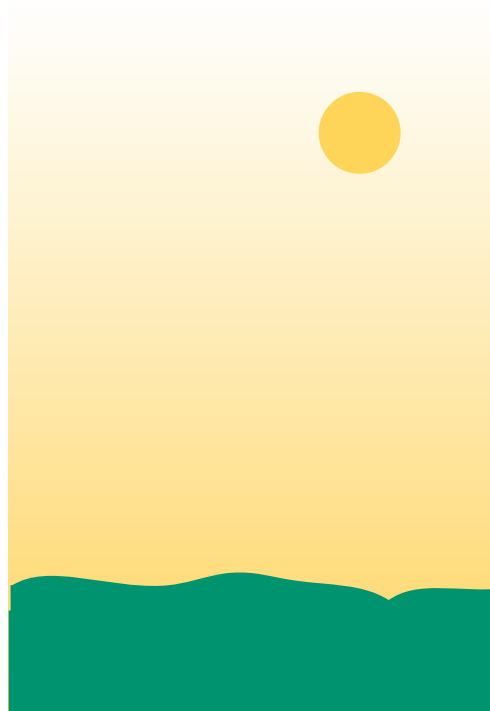
# Tyne & Wear Pension Fund

**STRIKE ACTION**

**AND**

**YOUR PENSION**

**RIGHTS**



**L G P S**

LOCAL GOVERNMENT PENSION SCHEME



Administered by  
SOUTH TYNESIDE  
METROPOLITAN BOROUGH COUNCIL



**THE LOCAL GOVERNMENT  
PENSION SCHEME**

**Strike Action  
Election to pay Contributions**

Please complete and return this form to the Payroll Section of your employing authority only if you wish to buy back membership you have lost through strike action.

National Insurance No. ....

Surname .....

Forename(s) .....

Date of Birth ..... Payroll No. ....

Address .....

.....

..... Postcode .....

Employer .....

Post .....

Department .....

I wish to pay pension contributions for the following days of strike action to enable each day to count as membership.

From ..... to .....

From ..... to .....

From ..... to .....

Signed ..... Date .....

This leaflet is intended to be a brief general guide to the provisions of the local government pension scheme relating to the buy back of membership lost through strike action. Nothing contained in this leaflet can override the statutory pension regulations.

**Question** Will taking strike action affect my pension benefits?

**Answer** Yes. The number of days of strike action for which you do not receive pay from your employer will not count towards the calculation of your pension benefits. Employees who take strike action in their final year of service will also have their benefits calculated on a slightly reduced pay figure.

**Question** Can I buy back the membership I have lost through strike action?

**Answer** Yes. You are entitled to buy all or any number of days of strike action for which you lose pay. The buy back means that, when we calculate benefits, you are treated as having received the pay you lost for these days and this further protects pension rights for employees who are in their final year of service.

**Question** What will the buy back cost me?

**Answer** 16% of the gross pensionable pay (i.e. pay before tax, National Insurance, etc.) you would have received had you not been on strike for the period in question. For example for someone earning £12,879 per year or £246.99 a week the gross cost would be £7.91 for each day of strike.

**Question** Why 16% instead of my normal 5 or 6%?

**Answer** Because when buying back membership lost through strike action, your employer makes no contribution, you are required to meet the full cost of providing pension benefits for the period in question.

Neither you nor your employer have any discretion to vary the cost, which has been determined by the Government Actuary as the national average cost of providing local government pension scheme benefits.

**Question** Is it worth buying back the service I lose through strike action?

**Answer** It depends on how much membership you lose and how near you are to retirement, but it's entirely up to you to make this decision.

For example, let's look at the position of an employee who has been on strike for six days, and retires say two years later after 18 years' membership with pensionable pay of £12,000 in their final year of service.

If they do buy back the six days of membership they will receive a pension of £2,700.00 a year and a lump sum of £8,100.00 and if they don't buy back the six days, their pension will be £2,697.53 a year, and their lump sum £8,092.59.

**Question** I am currently paying extra pension contributions to purchase additional membership. How does striking affect these arrangements?

**Answer** These special contributions must be paid regardless of any loss of pay through strike action and they will be deducted automatically from your pay. This ensures that your arrangement to buy additional membership is not affected, although any election to buy strike action will be subject to the Inland Revenue maximum contribution of 15% in any tax year.

**Question** If I decide to buy back, what should I do, and how do I pay the contributions due?

**Answer** Within 30 days of your return to work after each period of strike action (or such longer period as your employing authority may allow) you should complete the attached form and send it to your Payroll section, so that the contributions due can be deducted from your pay.

The contributions are normally payable in a single instalment, but where a substantial amount is involved your employer may be willing to agree that payment be spread over a reasonable period. Contributions deducted from your pay qualify for tax relief in the same way as your normal contributions so long as your total pension contributions do not exceed 15% of your pay in any tax year.

**Question** My Trade Union is making up my pay whilst I am on strike. How does this affect my pension position?

**Answer** If you want your strike period to count as membership you must still elect to 'buy back' and the contributions (16% of the gross pay you would otherwise have received from your employer) must be paid, whether payment comes from you or your Trade Union.

**Question** Where can I get more information before making up my mind?

**Answer** If you want to know the payment arrangements, or the cost of buying back, you should contact your Payroll section.

### Further Information

If you require any further information or have any other queries please contact:

The Pensions Helpline  
(0191) 424 4141

Tyne & Wear Pension Fund  
Pensions Office  
Civic Centre  
Hebburn  
Tyne & Wear  
NE31 2SW

Email: [pensions@s-tyneside-abc.gov.uk](mailto:pensions@s-tyneside-abc.gov.uk)