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.

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.

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

If after considering the 50/50 section you decide you would like to opt out, you can obtain an opt out form from our website. 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.

The only exception to this is Additional Voluntary Contributions (AVCs). 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. You should contact your AVC provider for more information about this.

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

Yes, WYPF 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 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.

- **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.

The GOV.UK website provides more information on the job retention scheme for employees.

- **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.

- **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.

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

WYPF is adapting working patterns to ensure we continue providing a full service whilst monitoring the latest Government advice to protect our staff.

We're 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.

Check our website at wypf.org.uk for updates and if you haven't done already, register for MyPension, where you can update your details and view your previous annual statements.

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 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 Financial Services Register and 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 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.