



# COVID - 19 Support measures

[www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)



Teachers' Pensions has received several enquiries about the impact of coronavirus and how some of the support measures may affect membership of the Teachers' Pension Scheme. We've provided the following FAQs explaining the impact on issues including pension contributions, member status and the reporting of salary and service which should help you understand any impact on you.

Specific guidance from the Department for Education on COVID-19 financial support for the education sector is available on the [Government website](#).

## Furloughed staff

### Q. What are furloughed staff?

Employees who are being paid under the Government's **Coronavirus Job Retention Scheme (CJRS)** are referred to as furloughed staff.

Government guidance is available [here](#), and advises that public sector organisations, and employers receiving public funding for staff costs, are generally not expected to use the CJRS.

### Q. What if I'm on pensionable sick leave when furloughed?

In accordance with the CJRS [guidance](#), we expect that you'll either remain on sick leave or the sick leave will come to an end and you'll be put on furlough and paid in accordance with the furlough terms. If you remain on sick leave you'll continue to remain in pensionable sick leave if you continue to receive at least half your usual pay.

### Q. Is furlough pay pensionable? What contributions are paid?

Yes, furlough pay is pensionable.

Your contributions should be deducted based on the actual pay you receive whilst furloughed, not the normal rate of pensionable pay\*.

For example: if an employee who is normally paid £2,500 per month (gross) is paid at 80%, they'll be paid £2,000 per month. Contributions of 7.4% will be payable on £2,000 (as opposed to the usual 8.6% on £2,500).

If the furlough pay is topped up by your employer, the contribution rate is determined by annualising the furlough pay + top-up. This is then applied to the salary paid in the month (furlough pay + top-up). For example, if an employee's furlough pay of £2,000 is topped up by £500, the contribution rate will be 8.6% (based on annualised £30,000), applied to £2,500.

\* Pensionable leave is an exception to this; if the same member is on pensionable leave and furloughed, their contribution rate will remain at the normal rate, but it'll be applied to their actual pay during furlough. Please see the question on furlough pay and family leave.

### Q. How should your employer record service and salary for furloughed employees?

If you're not already working part-time, we're asking employers to record your service and salary as if you were part-time.

By doing this the insurance benefits provided by the Scheme - in-service Death Grant, enhancement to survivor and ill-health pensions - are unaffected. This is because they're based on the full-time equivalent (FTE) salary rate.

Average salary will be unaffected, as it's calculated using the FTE salary rate, not the actual part-time / furloughed earnings received.

#### **Q How will furlough pay affect the build-up (accrual) of my pension?**

The accrual of your pension is proportionate to your pensionable pay\*.

In the Career Average arrangement, if furlough pay is less than normal pay the amount of pension built-up will be less during this period. For example, if the amount of pensionable pay is 20% less than normal, the amount of pension added to the total Career Average pension will be 20% less. The CJRS is a temporary scheme and therefore the impact on overall pension accrual will be minimal for most members.

In the Final Salary arrangement, if furlough pay is less than normal pay, the amount of service that counts towards pension benefits (known as reckonable service) will be less. For example, if the amount of pensionable pay is 20% less than normal, the amount of reckonable service added to the total reckonable service will be 20% less. As for those in the Career Average scheme, this reduction in reckonable service is for a limited period and the overall impact on pension accrual will be minimal for most members.

Please note that average salary is unaffected. Average salary is calculated using the FTE salary rate, not actual pay. We're treating furlough pay as part-time (if you're not already part-time), and we'll continue to use the normal FTE salary rate to calculate the average salary. This means that there'll be no change to the average salary during or after the furlough period when you return to your normal pre-furlough salary.

\* Pensionable leave is an exception here, as build-up of pension continues to be based on normal pay. Please see the question on furlough pay and family leave.

#### **Q. How will being on furlough affect my death-in service benefits?**

Death in-service benefits are unaffected.

In the Career Average arrangement, the in-service Death Grant is three times the FTE salary. As we're asking employers to record your service while furloughed as part-time (if you're not already part-time), we'll still have the FTE salary and that's what we'll use.

In the Final Salary arrangement, the in-service Death Grant is three times the average salary. The average salary is calculated using the FTE salary. As we're asking employers to record your service while furloughed as part-time (if you're not already part-time), we'll still have the FTE salary and that's what we'll use.

#### **Q. How will being on furlough affect survivor pensions?**

The enhancement to survivor pensions will be unaffected, as it's based on the normal FTE salary rate.

There may be a slight reduction in the part of the survivor pension based on benefits already built-up in the Scheme, relating to the reduced level of build-up during the furlough period, if applicable.

#### **Q. What if I'm on pensionable family leave when furloughed?**

If you're on pensionable family leave (adoption leave, maternity leave, parental leave, shared parental leave, parental bereavement leave or paternity leave) and your pay is furloughed, the contribution percentage you pay will remain unchanged, but it'll be applied to your actual pensionable earnings. While you continue to receive pay (including statutory pay) you'll continue to build up pension benefits based on your normal pay.

# Emergency Volunteering Leave

## Q. What is statutory Emergency Volunteering Leave (EVL)?

[Schedule 7 of the Coronavirus Act 2020](#) allows for workers with certain skills in the health and social sector to volunteer for periods of emergency volunteering leave.

## Q. Will EVL affect the build-up (accrual) of my pension?

No, the accrual of pension is unaffected by EVL. Members who receive no pay, or reduced pay, will continue to accrue pension as if they were being fully paid during this period. We're asking employers to provide details of your service and salary as if you were working during the period of EVL.

## Q. How will being on EVL affect my ill-health and death in-service benefits?

Ill-health and death in-service benefits are unaffected. Members undertaking EVL are still considered to be in-service in the Teachers' Pension Scheme and will therefore continue to receive the full benefit of these provisions.

In the Career Average arrangement, the in-service Death Grant is three times the full-time equivalent (FTE) salary. A reduction in pensionable earnings while on EVL, if any, will not affect your FTE rate.

In the Final Salary arrangement, the in-service Death Grant is three times the average salary. The average salary is calculated using the FTE salary rate, and a reduction in pensionable earnings while on EVL, if any, will not affect your FTE salary.

## Q. How will being on EVL affect survivor pensions?

As members are treated as being in-service and continue to accrue pension as normal, there's no impact on survivors' pensions if you are on EVL.

## Q. What contributions are due while on EVL?

Periods of EVL are unpaid, however there may be allowances payable. In some circumstances, employers may decide to continue to pay staff undertaking EVL. Member/Employer contributions will be due on any payment made to the member by their employer. For employee contributions the rate should be determined on the annualised rate of actual pay in the period of EVL.