



Derbyshire  
Pension  
Fund

# Access and Fairness

9<sup>th</sup> June 2026

# What is Access and Fairness?

|                                       |   |
|---------------------------------------|---|
| <b>Purpose of Access and Fairness</b> | Aims to address inequalities and inconsistencies in LGPS benefits and access for members and dependants                             |
| <b>Equality</b>                       | Ensuring fair treatment regardless of gender, sexual orientation, or family status  |
| <b>Access and Opt-Out Concerns</b>    | Higher opt-out rates among certain groups prompted calls for improved data and transparency to understand barriers                  |
| <b>Modernising Regulations</b>        | The consultation seeks to update LGPS rules to reflect modern employment and family structures while ensuring scheme sustainability |

# Regulatory changes

## Equalising Survivor Benefits

- Proposals ensure survivor pensions are calculated fairly, regardless of sex or relationship type, to remove historic discrimination

## Death Grant Reform

- Removing the age 75 limit

## Addressing Gender Pension Gap

- Proposals target unpaid leave and career breaks by improving pension buyback rules and introducing mandatory gap reporting

## Improving Scheme Access and Data

- Plans to enhance data collection on opt-outs supports identifying barriers and aids policy to increase scheme participation

# Gender Pension Gap

**Phase 1 changes from 1 April 2026. These are the main areas where employers are affected:**

Authorised unpaid absences less than 15 days

Authorised unpaid absences of 15 days or more

Child related leave - APP extending



# **Authorised unpaid leave**

**less than 15 days**

# Recap

## Rules before 1 April 2026

- **Sickness**

APP applies throughout reduced pay or nil pay sickness absence (unchanged)

- **Child related leave**

APP applies but any unpaid break can be bought back via a shared cost APC with 1/3 cost met by employee and 2/3 cost met by employer (if elected within 30 days of return to work)

- **Other authorised unpaid absences**

Only option to be bought back via an APC with 1/3 cost met by employee and 2/3 cost met by employer (if elected within 30 days of return to work)

# Automatically Pensionable

## From 1 April 2026:

- For authorised absences that start and last less than 15 calendar days LGPS contributions are compulsory
- The days are measured using calendar days and not working days. No adjustment is made for part-time hours or working patterns
- These contributions must be collected through payroll
- Based on lost pensionable pay
- Employer contributions based on your usual rate that would have applied at the time
- Employee contributions based on the members usual rate via the bandings

# A few other points

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Annual leave purchase scheme – depends on how you as the employer treats it. If you treat as authorised unpaid leave then these rules apply

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Unpaid leave not actioned in the month it relates to – correct for pension purposes and adjust the pay the next month – example to follow

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Unpaid leave was due to be 15 days or more but adjusted to be less. Compulsory contributions now due

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Not enough pay to deduct the compulsory contributions – put process in place to accommodate this

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Strike breaks are not authorised unpaid leave. A scheme member may opt to buy pension ‘lost’ because of strike action, however, will normally be required to meet the full cost through an APC contract, although an employer may choose to contribute to the cost.

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Where an employee is undertaking other duties, this should not be treated as ‘authorised unpaid leave’ for the purposes of these changes.

# Reporting to the Fund

- Pensionable pay, employee and employer contributions must all be reported to the Fund including the lost pensionable pay and contributions
- This is the case for i-Connect submissions and L1/L3 leaver forms
- Any lost pensionable pay should be allocated to the pay depending on section of the scheme. E.g. main section or 50/50
- Final pay calculation unaffected submitted through i-Connect and on L1/L3 forms – if taken unpaid leave there is no adjustment needed as it counts as if they had been receiving their normal pay
- No need to separate out the pay or contribution figures where an absence is less than 15 days. These should be included in the normal fields on i-Connect and the L1 form



# Example - unpaid period not actioned until the following month

A monthly paid employee who contributes to the LGPS has a period of 2 days authorised unpaid absence from 21 to 22 May 2026, but the adjustment to pay is not applied until June 2026.

When the adjustment to pay is made in June, the LGPS contributions should not be adjusted as they are now due under the revised regulations. Also, the amount of pensionable pay reported is also unaffected. This is because the employee's pension accrual is based on the pensionable pay.



# Example - unpaid period reduced to less than 15 days

A monthly paid member was granted unpaid leave from 8 to 28 June 2026 and payroll were informed. The member's pay was reduced because of the unpaid period. Because that period is more than 14 days, no pension contributions were deducted in respect of the period of authorised unpaid leave.

The member returns to work early from the unpaid period on 17 June 2026, but it is too late to make any changes to the June payroll. An adjustment must be made in the next pay period to:

- account for the shorter unpaid absence in the member's pay, and
- deduct compulsory pension contributions from the 'lost' pay because the absence was less than 15 days.





# **Authorised unpaid leave**

**15 days or more**

# Leave that started before 1 April 2026

- Old rules apply, meaning the member can only buy back the 'lost' pension through an Additional Pension Contributions (APC) contract.
- The member must acquire a quote from the **lgpsmember.org** website and provide this to you (the employer) within 30 days of returning to work. The timeframe can be extended through employer discretion.
- The cost of the APC is divided into 1/3 paid by the employee, and 2/3 paid by the employer

[www.lgpsmember.org/help-and-support/tools-and-calculators/buy-lost-pension-calculator/](http://www.lgpsmember.org/help-and-support/tools-and-calculators/buy-lost-pension-calculator/)



# Leave that started on or after 1 April 2026

- The new rules for authorised unpaid leave less than 15 days **do not apply to the first 14 days of a longer absence** - No adjustment is made for part-time hours or working patterns.
- Where a member has a period of authorised unpaid leave that lasts **15 calendar days** or more, the member can opt to buy back the 'lost' pension through a Qualifying Additional Pension Arrangement (QAPA).
- The member has 12 months from their return to work to enter a QAPA to purchase the 'lost' pension. They must be in the same employment. Employers may use their discretion to allow a longer timeframe.



# APCs vs QAPAs

## Main differences:

- Cost
- Deadlines
- Redundancy
- Survivor Pensions
- Medical assessment

# Employer responsibilities

- Where an authorised unpaid absence last for 15 or more calendar days, no pension contributions are automatically deducted in respect of the unpaid period.
- Employers will need to advise their scheme members they have the option to buy 'lost' pension through a QAPA.
- Employers will need to communicate with their HR and payroll departments about how they will exchange information and who is responsible for each part of the process.
- If a member elects to enter a QAPA, to liaise with the member to complete the necessary form and send onto Derbyshire Pension Fund.

# Employers should confirm to the scheme member:

dates of the unpaid break

the member cost to cover the unpaid period

the cost per pay period if the member chose to pay by regular contributions over a year (or two years, three years etc where the amount is large)

the additional pension the member would be entitled to if they make the payments, and the additional pension to be credited each Scheme year if paying by regular contributions

# How to gather all the information

The Local Government Association (LGA) have provided a basic calculator for working out the employer and member cost. This can be found within the [administrator guides and documents section of www.lgpsregs.org](http://www.lgpsregs.org)

|               |   |                 |                          |                                  |
|---------------|---|-----------------|--------------------------|----------------------------------|
| 20 April 2026 | <b>Additional pension contributions</b> | QAPA calculator | Pension Funds, Employers | Current <b>Version 1.0</b> [XLS] |
|---------------|---|-----------------|--------------------------|----------------------------------|

The first two tabs contain explanatory notes on how to use the QAPA calculator.

General Notes | Spreadsheet notes

*Tip: When accessing the administrator guides and documents section of [lgpsregs.org](http://lgpsregs.org), sort on publication date to see the latest documents at the top of the list. The QAPA calculator is an excel workbook published on 20 April 2026.*

# QAPA calculator – Inputs – Member details

**In the yellow cells, you will need to enter:**

- Employee name
- Employee National Insurance number
- Employee payroll reference
- Employee post reference (where applicable)
- Employer name (and location code)
- Pay frequency (e.g., monthly, 4-weekly or weekly)
- Which section of the LGPS they are in (Main or 50/50)

|   | A                                       | B            | C |
|---|---|--------------|---|
| 1 | <b>Authorised unpaid leave - inputs</b> |              |   |
| 2 |   |              |   |
| 3 | <b>Employee Name</b>                    |              |   |
| 4 | <b>NINo</b>                             |              |   |
| 5 | <b>Pay ref</b>                          |              |   |
| 6 | <b>Other ref</b>                        |              |   |
| 7 | <b>Employer</b>                         |              |   |
| 8 | <b>Member paid</b>                      | monthly      |   |
| 9 | <b>Main or 50/50?</b>                   | Main section |   |

# QAPA calculator – absence details

**In the yellow cells, you will need to enter:**

- Unpaid absence start date
- Unpaid absence end date

This will automatically adjust the date ranges in the table beneath

|    |                                  |            |            |
|----|----------------------------------|------------|------------|
| 11 | <b>Unpaid absence start date</b> |            | 01/04/2026 |
| 12 | <b>End date</b>                  |            | 15/04/2026 |
| 13 |                                  |            |            |
| 14 |                                  |            |            |
| 15 | From                             | To         | 'Lost' Pay |
| 16 | 01/04/2026                       | 15/04/2026 | £0.00      |

|    |                                  |            |            |
|----|----------------------------------|------------|------------|
| 11 | <b>Unpaid absence start date</b> |            | 01/04/2026 |
| 12 | <b>End date</b>                  |            | 30/06/2026 |
| 13 |                                  |            |            |
| 14 |                                  |            |            |
| 15 | From                             | To         | 'Lost' Pay |
| 16 | 01/04/2026                       | 30/06/2026 | £0.00      |

# QAPA – lost pay and contribution rates

**Now for each period, you simply enter:**

- The member's lost pay (defined as their normal contractual pay)
- The member's usual LGPS contribution rate
- The employer's LGPS contribution rate

| 14 |            |            |            | Contribution rate for period |          |             |               |
|----|------------|------------|------------|------------------------------|----------|-------------|---------------|
| 15 | From       | To         | 'Lost' Pay | Member                       | Employer | Member cost | Employer cost |
| 16 | 01/04/2026 | 30/06/2026 | £3,000.00  | 5.50%                        | 20.00%   | £165.00     | £600.00       |

# QAPA – absence spans scheme years

If the absence crosses scheme years, the table automatically updates to provide a line per scheme year. This helps if the member or employer contribution rates have changed from 1 April of the new scheme year. For example:

|    |                                  |            |            |                              |          |             |               |
|----|----------------------------------|------------|------------|------------------------------|----------|-------------|---------------|
| 11 | <b>Unpaid absence start date</b> |            | 28/02/2027 |                              |          |             |               |
| 12 | <b>End date</b>                  |            | 30/04/2027 |                              |          |             |               |
| 13 |                                  |            |            |                              |          |             |               |
| 14 |                                  |            |            | Contribution rate for period |          |             |               |
| 15 | From                             | To         | 'Lost' Pay | Member                       | Employer | Member cost | Employer cost |
| 16 | 28/02/2027                       | 31/03/2027 | £2,000.00  | 5.50%                        | 20.00%   | £110.00     | £400.00       |
| 17 | 01/04/2027                       | 30/04/2027 | £1,000.00  | 5.50%                        | 19.00%   | £55.00      | £190.00       |

# QAPA – Regular deductions or lump sum?

Once all the information has been entered on the “inputs” tab, the employer should provide the “member options” tab to the member.

- **Option 1** details the cost if paid as a lump sum.
- **Option 2** details the regular cost to the member, depending on the amount of years used in the toggle. For example, toggling between 1 and 2 years:

|    |  |        |                  |         |
|----|--|--------|------------------|---------|
| 32 | <b>Option 2:</b> I would like to pay optional pension contributions to cover the unpaid period shown |        |                  |         |
| 33 | above by <b>regular contributions</b> over   | 1      | year             |         |
| 34 | I understand that contributions of   | £13.75 | will be deducted | monthly |
| 35 | For each year I pay these additional contributions, I will buy extra yearly pension of               |        |                  | £61.22  |
| 36 | I understand the extra contributions will start from the first pay period after I return this form   |        |                  |         |
| 37 | I understand that my employer will share this information with the pension fund on my behalf.        |        |                  |         |

|    |  |       |                  |         |
|----|--|-------|------------------|---------|
| 32 | <b>Option 2:</b> I would like to pay optional pension contributions to cover the unpaid period shown |       |                  |         |
| 33 | above by <b>regular contributions</b> over   | 2     | years            |         |
| 34 | I understand that contributions of   | £6.88 | will be deducted | monthly |
| 35 | For each year I pay these additional contributions, I will buy extra yearly pension of               |       |                  | £30.61  |
| 36 | I understand the extra contributions will start from the first pay period after I return this form   |       |                  |         |
| 37 | I understand that my employer will share this information with the pension fund on my behalf.        |       |                  |         |

# QAPA – member’s choice

It is the employer’s responsibility to agree with the employee what a reasonable repayment period is (e.g., lump sum or regular contributions over 1 or 2 years).

When providing the ‘member options tab’, ensure that you have populated this with the appropriate email address you would like the employee to return their option to:

|    |  |                   |  |  |  |  |
|----|--|-------------------|--|--|--|--|
|    | Please complete the 'Your decision' section below to let us know if you would like to pay these optional |                   |  |  |  |  |
| 12 | contributions. Return the completed form to:   |                   |  |  |  |  |
| 13 | <i>Employer to enter relevant address or email address</i>   |                   |  |  |  |  |
| 14 |  |                   |  |  |  |  |
| 15 | <b>You must return this form by</b>  | <b>29/04/2028</b> |  |  |  |  |
| 16 |  |                   |  |  |  |  |

# QAPA – Normal Pension Age

The regulations state, if paying by regular contributions, the repayment period must be completed before the member reaches their Normal Pension Age (NPA).

If the member is over NPA, or within 1 year of their NPA, they can only pay a QAPA through a lump sum (i.e., they do not have the option to pay back in instalments.)

Currently, NPA is linked with State Pension age.

You can use the Government's [State Pension age calculator](https://www.gov.uk/state-pension-age-calculator) to work out when your employee will reach their State Pension age.

**[gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)**

# QAPA – informing Derbyshire Pension Fund

After the member has indicated their choice, please provide a copy of the “Info for LGPS Fund” tab by email to:

**[DPF.employers@derbyshire.gov.uk](mailto:DPF.employers@derbyshire.gov.uk)**

**Ensure all additional notes and contact information is present before submitting.**

# i-Connect – Before employee starts a QAPA

On your i-Connect submissions, please report the absence as a service break, as you normally would:

| Field            | Description   |
|------------------|---|
| SUSPENSION_START | Start date of the absence   |
| SUSPENSION_END   | End date of absence (leave blank if still away from work)   |
| SMP_IND          | Reason for absence: <ul style="list-style-type: none"><li>• <b>A – Leave of Absence (expected if unpaid leave is authorised)</b></li><li>• E – Education Break</li><li>• M – Parental Break</li><li>• S – Strike</li><li>• U – Unauthorised</li></ul> |

# i-Connect – After employee starts a QAPA

On your i-Connect submissions, please report QAPA contributions the same way as you currently report APC contributions:

| Field                      | Description  |
|----------------------------|--|
| ADDITIONAL_CONTRIBUTIONS_1 | Report cumulative AVCs only  |
| ADDITIONAL_CONTRIBUTIONS_2 | Report cumulative ARCs and service purchase contributions            |
| <b>CUMULATIVE_SCAPC's</b>  | Report <b>cumulative</b> employer APCs and <b>QAPA contributions</b> |
| <b>CUMULATIVE_APC's</b>    | Report <b>cumulative</b> employee APCs and <b>QAPA contributions</b> |
| <b>SCAPC's</b>             | Report <b>monthly</b> employer APCs and <b>QAPA contributions</b>    |
| <b>APC's</b>               | Report <b>monthly</b> employee APCs and <b>QAPA contributions</b>    |

# Limits on employer contributions

Employer contributions are compulsory where a scheme member has opted to buy 'lost' pension through a QAPA, if the authorised unpaid absence is **less than or equal to three years**. Contributions are compulsory for the first three years of an absence which lasts longer than three years.

The employer may use their discretion to contribute to the cost of buying back the pension lost in the unpaid period after the first three years.

If the employer does not contribute to the cost of covering a long unpaid absence after the first three years, the scheme member may meet the full cost. The arrangement is still a QAPA and the cost is the total member and employer contributions for the period.



# Example - Absences extended over 14 days

- An employer consents to an unpaid break from **9 to 21 July 2026**. Payroll is informed and the member's pay is adjusted to account for the unpaid break. As the break is less than 15 days, compulsory employer and member pension contributions are deducted from the lost pensionable pay.
- Due to unforeseen circumstances, the unpaid break is **extended to 25 July 2026**. The extra leave is also authorised, but it was confirmed too late to make changes to the July payroll.
- As the unpaid break was longer than 14 days, pension contributions are optional. In accordance with the regulations, member and employer contributions on the lost pensionable pay should be **refunded**. The member would have the choice about whether to start a QAPA to cover the whole unpaid period.



# **Changes to child-related leave**

# Child-related leave

For LGPS purposes child-related leave is:

- Maternity leave
- Adoption leave
- Shared parental leave
- Paternity leave

From 6 April 2026 this now includes:

- Bereaved-partners paternity leave (also applies to same-sex partners)

Dependant on employment law and employers' individual policies, it is not unusual for child-related leave to include a paid period followed by an unpaid period.

# What changed

## New rules

From 1 April 2026, Assumed Pensionable Pay (APP) should be applied during periods of child-related leave, up to 52 weeks.

So, you need to apply APP if the unpaid period started on or after 1 April 2026 for instances of:

- unpaid additional maternity leave
- unpaid additional adoption leave
- unpaid shared parental leave

This also applies to instances of Bereaved-partners leave from 6 April 2026.



## Old rules

For unpaid periods that started **prior** to 1 April 2026, the old rules apply. For example, for the first 26 weeks of maternity or adoption leave, APP is applied, whether there is reduced or nil pay.

For weeks 27 to 39, APP is applied only where there is some pay. It stops when the employee goes onto nil pay.

# Assumed pensionable pay (APP)

The pay that the employee could have reasonably been expected to receive had they been at work.

Employers can use one of two methods to calculate APP:

## Average pay

The last 3 full month's pay, including any regular additional payments, but removing any one-off lump sum or non-regular payments and uprating the figure to a full year. The employer has the discretion to add back into the APP one-off or annual lump sum payments if they expect the APP to continue until the next time when such payments would be due.

## Current pay

Can be used if you consider the average pay figure to be lower than the pay the employee would have received had they been at work.

# Applying APP

## What needs reporting and what needs paying:

- the **employee** has contributions deducted from any pay that they receive (at their usual rate). The contributions are paid to the Fund and reported as is (it may be zero).
- the **employer** pays their contributions at their usual rate based on the APP. This normal amount of employer contributions is paid and reported.
- the employer reports the APP as the member's pensionable pay for the period. (This is what the pension will be based on, not the contributions).
- you no longer need to distinguish between paid and unpaid periods of child-related leave, so you don't need to report service breaks through i-Connect for the unpaid periods.

# 50/50 section membership

The 50/50 section of the LGPS was implemented as a short-term solution for employees facing financial hardship, as an alternative to opting out.

Employees pay 50% of their normal contribution rate and build up 50% of the pension they would normally build up, for the period they are in it.

**Previously** employers only put 50/50 section members back into the main section at their auto-enrolment date, or when they receive a new contract of employment.

Employers **now** need to move 50/50 section members back into the Main section of scheme from the start of the payroll period following them starting an unpaid period of child-related leave.

This won't affect the contributions paid. The employer contributions are at the normal rate during 50/50 section membership anyway, and there won't be any employee contributions while unpaid. However, when the employee starts getting paid again, their contributions will be at their normal rate.

Employees can opt to move back to 50/50 section when they wish.

# Child-related leave example 1

## 50/50 membership and child-related leave

*Maternity leave begins 13 July 2025 and the employee is entitled to statutory maternity pay (SMP). They were in the 50/50 section before their maternity leave started:*

- 13/07/2025 to 10/01/2026: 26 weeks of ordinary maternity leave (paid)
- 11/01/2026 to 11/04/2026: 13 weeks of paid additional maternity leave (SMP paid)
- 12/04/2026 to 12/07/2026: unpaid additional maternity leave

*APP applies throughout the year of maternity leave because the unpaid period starts after 1 April 2026.*

*The member remains in the 50/50 section while they are receiving some pay. However, after moving to nil pay midway through April, they are put in the Main section from 1 May 2026.*

# Child-related leave example 2

## Blocks of shared parental leave

*An employee takes shared parental leave in three blocks. Some of the leave is paid, some is unpaid:*

### Period 1:

20/01/2026 to 19/02/2026 – paid. APP applies because they receive some pay.

### Period 2:

20/03/2026 to 04/04/2026 – paid. APP applies because they receive some pay.

05/04/2026 to 19/04/2026 – unpaid. APP continues to be applied under the new rules. Period 2 started before 1 April 2026, however, the unpaid part started after.

### Period 3:

20/05/2026 to 19/06/2026 – unpaid. APP applies during period 3 under the new rules.

# Resources



Derbyshire Pension Fund  
Access and Fairness  
employer guide



LGPC bulletin 276



QAPA calculator



Any new guidance will be  
shared

Any further questions – please email [pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk)

# Q and A session

