



London Borough
of Hounslow



EMPLOYER FACTSHEET

Paying extra

1. Employee only additional pension contributions (APCs) & employee / employer Shared Cost APCs

Members can buy extra annual pension with an additional pension contribution (APC) contract. This can be with or without a contribution from the employer which is known as a Shared Cost APC (SCAPC) when there is a contribution from the employer.

Members will have to arrange for their GP (registered medical practitioner) to sign a medical form and pay any fees the GP may charge for this. We may refuse a contract if this shows the member is not in reasonably good health. But with a satisfactory medical, members can take out an APC contract:

- **To buy extra pension** with a one-off payment or by paying regular contributions (we cannot accept regular contributions of less than £10 per month due to administration costs) with or without a contribution from you. The cost (a cash amount, not a percentage of pay) depends on age and how much pension they buy. You can meet some or all of the cost of this if you want to.

Note: if a member elects to pay by lump sum this should be paid in one payment and not paid over several months.

Note: members can't start APCs for extra pension if they are in the 50/50 section.

- **To buy lost pension** an employee may elect to pay an APC to purchase any or all of the amount of pension 'lost' during a period of absence following:
 - a trade dispute (strike),
 - unpaid authorised leave which began before 1 April 2026, or
 - unpaid authorised leave 15 days or more, which began after 31 March 2026, but the member did not elect within the deadline to buy back the pension lost with a QAPA

For authorised leave starting after 31 March 2026, the deadline to elect to buy back the pension is the earliest of:

- the date the member left the employment they were in during the unpaid leave
- one year after returning to work following the unpaid leave
- a longer deadline allowed by your employer

Any other period of authorised leave of absence pre-existing APC/SCAPC contracts remain payable unless the member decides to end them.

During a period of sickness or injury on no pay the member contributions to an APC/SCAPC are deemed to have been paid.

At the end of each scheme year, or the date the APC contract stops, if that's earlier, we credit members' active pension accounts with the additional pension they bought that year.

If a contract ends early because a member retires on tier 1 or tier 2 ill-health pension, the remaining additional pension is deemed to have been paid and we will credit it to their active account when they leave.

2. Employer only additional pension contributions (APCs)

Employers can award additional annual pension to active members less any additional annual pension you have already paid towards or are contributing towards under a shared-cost APC.

You can also award additional annual pension to members who left on the grounds of redundancy or business efficiency, but you must do it within six months of them leaving.

Employer only APCs are a one-off payment that buys a set amount of additional pension. The cost depends on a member's age and how much pension you decide to buy.

3. Additional voluntary contributions (AVCs)

AVCs can be made by members or, in the case of a shared-cost AVC (SCAVC), by both employer and member. Contributions can be either a cash amount or a percentage of pensionable pay. Tell your payroll section what to deduct from the member per pay period and, for an SCAVC, what employer amount or percentage to pay per pay period.

The split between member and additional contributions for an SCAVC can be any proportion you agree, but you can't pay the whole cost.

During any period of

- sickness or injury on reduced contractual pay or no pay
- relevant child related leave (ordinary maternity, adoption or paternity leave, plus paid additional maternity, paternity or adoption leave)
- reserve forces service leave

any pre-existing AVC or SCAVC contracts remain payable unless members (or the employer if it's an SCAVC) ends them.

unpaid additional maternity, paternity or adoption leave

- absence because of strike, or
- any other period of authorised leave of absence

members can continue paying for an AVC or SCAVC contract.