

# Puzzled By Pensions?

## Maternity Leave And Pensions



### If You Are Automatically Enrolled

If your employer has automatically enrolled you into a workplace pension scheme they will be required to continue contributing to your pension scheme at the same level and on the same amount of pay that you were receiving prior to your maternity leave. However, your contributions will be based upon your actual earnings during your maternity leave.

If your employer is due to automatically enrol you while you are on maternity leave, they will decide if you are eligible, based on your pay before you went on maternity leave. If you are automatically enrolled your contributions will be based on your pre-maternity pay.

### If You Take Unpaid Leave

If you decide to take a period of unpaid leave after your paid parental leave, you do not need to continue contributing during the period of unpaid leave, but you can if you wish to do so. Your employer does not have to make any contributions on your behalf (unless your contract of employment states otherwise).

### If You Return to Work

When you return to work you (and your employer) may be able to pay extra contributions to make up for any period of unpaid leave depending on the scheme's rules.

If you go back to work part-time on a lower salary, this will mean that your pension will build more slowly so you may want to consider paying additional contributions. Most pension schemes will let you pay in more than the standard contribution amount.

### If You Do Not Return to Work

If you decide not to return to work the money paid into your pension will remain invested with your pension provider until you decide to have the pension paid to you. Currently the earliest age at which you can do so is at age 55 (this will increase to age 57 by 2028, unless you have a protected retirement age under your scheme).

#### Disclaimer

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### Defined Contribution Schemes

The information contained within this factsheet is relevant to pension schemes which are classified as a defined contribution (DC) arrangement.

If you have any questions relating to leaving a defined benefit, ie a final salary or career average re-valued earnings (CARE), workplace pension scheme, please contact the Usdaw Pensions Section as the rules relating to these pension schemes are different in some respects.

### Maternity Leave and the State Pension

Your State Pension is based on your National Insurance record. Your National Insurance record is made up of the number of years you have paid National Insurance for and/or how many years of National Insurance credit you have.

Maternity pay is subject to National Insurance deductions. If your maternity pay is £242 (2023/24) per week or more, you will continue to pay National Insurance which will count toward your State Pension.

If you earn between £123 and £242 per week (2023/24) you will build up National Insurance credits but you will not have to pay National Insurance contributions.

The full new State Pension is £203.85 a week (2023/24); you need at least 35 years of qualifying National Insurance contributions or credits to qualify for the full amount.

### Check Your National Insurance Record

You can check your National Insurance record online at the [gov.uk](http://gov.uk) website to see how many years of full National Insurance contributions you have paid:

[www.gov.uk/check-national-insurance-record](http://www.gov.uk/check-national-insurance-record)

Signing in to the 'Check your National Insurance record' service activates your personal tax account. As well as checking your State Pension forecast, you can register for new services, update your personal information, see how much tax you need to pay, and claim a tax refund.

For more information contact Usdaw's Pensions Section on **0161 224 2804** or [pensions@usdaw.org.uk](mailto:pensions@usdaw.org.uk)