

## Example 2 of pensionable pay calculations required

The member works 25 hours per week and is paid weekly.

The member's employment is ceased through capability on 18 November 2015.

Member's pay record is:	Actual rate of Pay (CAPP)	Whole time equivalent
23/07/2012	8522.93	12614.00 (6.5385 per hour)
01/04/2013	8726.41	12915.00 (6.6946 per hour)
01/04/2014	9000.67	13321.00 (6.9050 per hour)
01/01/2015	9372.30	13871.00 (7.1901 per hour)

Non-consolidated pay award of £101.35 (150.00 x 25/37) paid 31/12/2104  
(CAPP – career average pensionable pay)

Member's sickness record is:	18/10/2013 – 12/12/2013	Half pay sickness
	13/12/2013 – 10/01/2014	Nil pay sickness
	16/07/2015 – 12/08/2015	Half pay sickness
	13/08/2015 – 13/09/2015	Nil pay sickness
	21/10/2015 – 18/11/2015	Nil pay sickness
Maternity leave	14/07/2014 – 24/08/2014	9/10ths pay (154.10 per week)
	25/08/2014 – 12/04/2015	SMP (138.18 per week)
	13/04/2015 – 13/05/2015	Add/n unpaid maternity leave

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Assumed Pensionable Pay would have been calculated on 14/07/2014 due to drop in pay due to maternity leave.

### Assumed Pensionable Pay (APP) from 14/07/2014

Pay from 12 weeks prior to 14/07/2014 (21/04/2014 to 13/07/2014)

£6.9050 x 25 = £172.63 per week (no change in 12 weeks) x 52.14 = **£9000.93**

Member continued on paid maternity leave until 12/04/2015. (Member paid pension contributions on the pay that they received, whereas the employer paid contributions on the APP for the whole period).

Member was on unpaid additional maternity leave from 13/04/2015 until 03/05/2015, then she returned to work. Employer should inform employee of the details pertaining to her option to buy back her lost pension for the period 13/04/2015 to 03/05/2015, (where if the employee returns the form within 30 days, the employer pays 2/3rds and the employee pays 1/3rd).

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Assumed Pensionable Pay would have been calculated on 16/07/2015 due to drop in pay due to illness.

### Assumed Pensionable Pay (APP) from 16/07/2015

Pay from 12 weeks prior to 16/07/2015 (23/04/2015 to 15/07/2015, but can only go back to 14/05/2015 which is 9 weeks)

$£7.1901 \times 25 = £179.75$  per week (no change in the 9 weeks)  $\times 52.14 = \mathbf{£9372.17}$

Member continued on sickness leave until 13/09/2015. (Member paid pension contributions on the pay that they received, whereas the employer paid contributions on the APP for the whole period).

Member returned to work on 14/09/2015.

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Assumed Pensionable Pay would have been calculated on 21/10/2015 due to drop in pay due to illness.

**Assumed Pensionable Pay (APP) from 21/10/2015**

Pay from 12 weeks prior to 21/10/2015 (28/07/2015 to 20/10/2015)

However, member's pay was based on Assumed Pen Pay for 28/07/2015 to 13/09/2015 and Career Average Pen Pay for 14/09/2015 to 20/10/2105.

So;

APP 28/07/2015 – 13/09/2015 (6 weeks 5 days)

$9372.17/52.14 = 179.75$  per week =  $(6 \times 179.75) + (5/7 \times 179.75) = 1206.89 +$

CAPP 14/09/2015 – 20/10/2015 (5 weeks 2 days)

$7.1901 \times 25 = 179.75$  per week =  $(5 \times 179.75) + (2/7 \times 179.75) = 950.11$

**= 2157.00/12 x 52.14 = £9372.17**

Member continued on sickness leave until 18/11/2015. (Member paid pension contributions on the pay that they received, whereas the employer paid contributions on the APP for the whole period).

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The member's employment is ceased through capability on 18 November 2015. She was paid an amount of £709.01 in lieu of notice. She has been a member of the pension scheme for longer than two years and will be entitled to a deferred benefit.

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The information required on the pension leaver form is:

**Pre 2014**

3 years Final Salary Pensionable Pay calculations based on the date of leaving.

**Post 2014**

Cumulative Pensionable Pay figures for scheme years

01/04/2015 to date of leaving 18/11/2015

01/04/2014 to 31/03/2015

**Pre 2014**

3 years Final Salary Pensionable Pay calculations based on the date of leaving.

**Year 1 19/11/2014 to 18/11/2015**

19/11/2014 – 31/12/2014  $43/365 \times £13321.00 = 1569.32$

01/01/2015 – 18/11/2015  $322/365 \times £13871.00 = 12236.88$

Plus non-consolidated payment  $= 150.00$

**= £13956.20**

**Year 2** 19/11/2013 to 18/11/2014

19/11/2013 – 31/03/2014 133/365 x £12915.00 = 4706.01  
01/04/2014 - 18/11/2014 232/365 x £13321.00 = 8467.05  
**= £13173.06**

**Year 3** 19/11/2012 to 18/11/2013

19/11/2012 – 31/03/2013 133/365 x £12614.00 = 4596.33  
01/04/2013 – 18/11/2013 232/365 x £12915.00 = 8208.99  
**= £12805.32**

**Highest of the last three years in this case is year 1 = £13956.20**

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**Post 2014**

Cumulative Pensionable Pay figures for scheme years

01/04/2015 to date of leaving 18/11/2015  
01/04/2014 to 31/03/2015

**Scheme Year** 01/04/2015 to 18/11/2015

APP 01/04/2015 to 12/04/2015 - 12/365 x 9000.93 = 295.92  
NIL 13/04/2015 to 13/05/2015 31/365 x nil = 0000.00  
CAPP 14/05/2015 to 15/07/2015 - 63/365 x 9372.30 = 1617.68  
APP 16/07/2015 to 13/09/2015 - 60/365 x 9372.17 = 1540.63  
CAPP 14/09/2015 to 20/10/2015 – 37/365 x 9372.30 = 950.07  
APP 21/10/2015 to 18/11/2015 – 29/365 x 9372.25 = 744.64  
**= 5148.94**

**Scheme Year** 01/04/2014 to 31/03/2015

CAPP 01/04/2014 to 13/07/2014 – 104/365 x 9000.67 = 2564.57  
APP 14/07/2014 to 31/03/2015 – 261/365 x 9000.93 = 6436.28  
Non-consolidated payment made 31/12/2014 = 101.35  
**= 9102.20**

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