West Yorkshire Pension Fund | Lincolnshire Pension Fund

- **Does not apply to London Boroughs of Hounslow or Barnet employers – use the separate Hounslow/Barnet version**

Annual rate of pay for pension statements

Your members' pre-2014 pension benefits are calculated on leaving using their pensionable final pay during the last 12 months. This can be complicated because they may have been on different rates of pay, hours etc. during this time. To make things easier for their pension statement calculation we only ask you to provide the figure based on their full-time equivalent rate of pay as at 31 March.

The full-time equivalent rate of pay (former spinal column point) should be adjusted for term-time employees and/or increased to take account of pensionable additions such as sleep-ins, lettings, contractual overtime and pensionable bonuses paid. Please check any additional elements like these against the 2008 definition of pensionable pay (see over the page).

The table below tells you what we need from you for the different types of employee you may have.

Full time

For example 37 hours out of 37 hours per week or 39 hours out of 39 hours per week
(other hours are acceptable – they're your employees!)

52/52 weeks per year		Actual annual rate of pay as at 31 March, e.g. scale point or spinal column point.
Term-time only Nothing to do with term time but any employee who's paid for less than 52 weeks a year	**Contractual** Treat as full time for weeks per year	If the member isn't able to work more than the number of weeks they do (i.e. school staff who can't work during the school holidays) then it's the pay for the actual number of weeks that they get paid.
	Optional Treat as part time	If the member chooses to work less than 52 weeks a year then they are part time and the pay required is for the maximum number of weeks the member could work.

Part time

For example 18 hours out of 37 hours per week or 20 hours out of 39 hours per week
(other hours are acceptable – they're your employees!)

52/52 weeks per year		What the member would get if they worked full time, i.e. 37 hours per week or 39 hours per week (other hours are acceptable – YOU employ them not us).
Term-time only Nothing to do with term time but any employee who's paid for less than 52 weeks a year	**Contractual** Treat as full time for weeks per year	If the member isn't able to work more than the number of weeks they do (i.e. school staff who can't work during the school holidays) then it's the pay for the actual number of weeks that they get paid, but multiplied up as if they worked full time per week.
	Optional Treat as part time	If the member chooses to work less than 52 weeks a year then they are part time and the pay required is for the maximum number of weeks the member could work, but also multiplied up as if they worked full time per week.
Casual No fixed hours	**Per hour**	Hourly rate made up to an annual figure. What the member would get if they worked full time for 52 weeks of the year.
	Per session	Actual pay, if showing hours as full time.

Definition of pensionable pay from the LGPS Regulations

Important: This definition should be used for the purpose of calculating pay figures, as required for all members with pre-April 2014 service.

Under the LGPS Benefits, Contributions and Membership Regulations the definition of pensionable pay is given in the excerpts below.

An employee's pensionable pay is the total of

- all the salary, wages, fees and other payments paid to him for his own use in respect of his employment. and
- any other payment or benefit specified in his contract of employment as being a pensionable emolument.

But an employee's pensionable pay does not include

- payments for non-contractual overtime
- any travelling, subsistence or other allowance paid in respect of expenses
- incurred in relation to the employment
- any payment in consideration of loss of holidays
- any payment in lieu of notice to terminate his contract of employment
- any payment as an inducement not to terminate his employment before the payment is made
- the amount of any supplement paid
    - by the Environment Agency
    - to an employee in recognition of the difference in contribution rates between members of the Principal Civil Service Pension Scheme and the LGPS. These would be would be members that have transferred on 1 April 2010 under a staff transfer scheme from the Learning and Skills Council for England to either a local authority or London Council Limited
- any award of compensation (excluding any sum representing arrears of pay) for the purpose of achieving equal pay in relation to other employees.

No sum may be taken into account in calculating pensionable pay unless income tax liability has been determined on it.