

## **NHS Pensions - Pensionable pay**

### **Is overtime included in my pensionable pay?**

Overtime is not pensionable if you are employed whole time. It may be pensionable if you are working part time, but only if it is paid at your basic rate and your total hours do not exceed whole time.

### **I have not retained a strict contract of employment. Are my additional pensionable hours included in the calculation of pay?**

Yes. Provided the hours are paid at their basic rate and your total hours do not exceed the standard whole time hours for your job. Any hours worked in excess of whole time cannot be included.

### **What are standard hours?**

Standard hours are the total hours that you would work if employed on a whole time contract. The standard hours vary depending on the type of employment.

### **What if I am on unpaid sick leave?**

The equivalent days are not included in the calculation of pay.

### **What if I have more than one job paid at a different hourly rate?**

An average of your pensionable pay will be calculated in respect of the appropriate pay.

### **Is annual leave pensionable?**

Yes. It will count towards your membership and pensionable pay.

### **What is the difference between the Pay used to calculate benefits in the 2008 Section and the 1995 Section?**

In the **1995 Section**, benefits are based on the best of the last three years notional whole time pensionable pay.

In the **2008 Section**, benefits are based on the average of the best three consecutive years reckonable pay in the last ten years of working.

**Is my pay used for benefits calculated using my annual salary at my date of leaving/retirement?**

No.

**1995 Section** – Total Pensionable Pay is calculated by ‘stepping back’ 365 days from your last day of membership, which may result in it being partially calculated using an earlier pay rate. We would then take the previous 2 years pensionable pay and use the best of these last three years when calculating your pension.

**2008 Section** – Total Reckonable pay is the average of the best three consecutive years pensionable pay in the last ten. Each years pay in the last 10 years before retirement is increased by cost of living to bring that pay figure up to what it would be worth on the day of leaving. The referencing period can only commence from 1 April 2008 or later.

**2015 Section** – The amount of pension you earn each year is determined by what is known as the ‘build up rate’ which is shown as a fraction of your pensionable earnings. In the 2015 Scheme the build up rate is 1/54th. Therefore you earn a pension of 1/54th of your pensionable earnings for each Scheme year, or part year if you leave before the end of a Scheme year.

**I have recently retired from my NHS employment and I consider the pensionable pay figure used in the calculation of my benefits is incorrect. Should I contact you?**

Initially you should contact your former employer as they are responsible for providing details of the pay to be used in the calculation of your pension benefits. They will then contact us should your pay need any amendment.

**Is there a limit on the pensionable pay, which can be used in the calculation of benefits?**

For members who joined for the first time or rejoined following a break of 12 months or more after 1 June 1989, there is a limit on the amount of pensionable earnings, this is known as the earnings cap. From 1 April 2008 onwards there is no longer a limit on pensionable pay.

**What if I am working part time?**

Your actual pensionable pay will be converted to its whole time equivalent to calculate your benefits.

**What if I need more information about the effect salary changes may have on my benefits?**

Further information can be found in the Member Guide which can be viewed on our website. Alternatively you may wish to contact your employer for advice.