

## Superannuation (Health Service) Circular No. 4A /2008

NHS and other participating employers  
GP Practice Managers

NHS Trades Unions and Staff Associations

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Your ref:  
Our ref: NHS/15/01/04

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Dear Colleague

### Changes to the NHS Pension Scheme in Scotland from 1 April 2008 - Allocation to contribution tiers for officer members in 2008/09

1. This circular seeks to clarify the information provided in SPPA circular No. 4/2008 and has also been updated to include frequently asked questions which employers should find helpful at new annex D
2. This circular gives guidance to employers on how to allocate members to the correct contribution tier for the financial year 2008/09. Allocation to tiers applies to officer members of the current scheme and also to those who join the NHS pension scheme under the new arrangements from 1 April 2008. Please note that it only applies to 2008/09 and further advice will be supplied in respect of 2009/10. For information on allocating practitioner members to contribution tiers please see SPPA circular 5/2008.
3. A key feature of the new and revised NHS Pension Arrangements is that contribution rates vary from 5% to 8.5% depending on the member's pensionable earnings. Officer members will in the main have their contribution rate in 2008/09 set based on the previous year's full time equivalent (FTE) pensionable earnings. Members joining for the first time in 2008/09 or <sup>1</sup>deferred members returning to the scheme (those that left pensionable employment before 31 March 2008) will have their contribution rate based on estimated FTE pensionable earnings for 2008/09. Whilst determining a contribution rate will be straight forward for the vast majority of members, there will be a number of circumstances which will not be straight forward.
4. For the 2008/09 period only officer members who are classed as "Manual workers" will retain the contribution rate of 5% whatever their pensionable earnings. This also applies to deferred pension members who return to the scheme under current arrangements during 2008/09 and within 5 years of leaving their previous pensionable employment as a manual worker.

<sup>1</sup> Deferred members with service in the current 1995 scheme arrangements who return to NHS employment less than five years after leaving will be able to rejoin the 1995 pension scheme arrangements in 2008/09.

5. This circular explains how the tiered contribution rate allocation should be administered in detail, including non straightforward cases. It is for the Employers to make a decision on the allocation of an appropriate tier however where individual cases are not straightforward and the employer has difficulty in deciding what tier should be allocated then SPPA , on behalf of the Scottish Ministers, will advise the employer of the tier to be allocated.

## 6. Tiered Employee Contribution Rates

### Contribution Rates Table

The table for the initial allocation for 2008/09 is:

**Table 1 - Tiered Contribution Rates (2007/08 pay rates)**

| Tier | Annual Pensionable Pay (Full time equivalent) | Current Contribution | New Contribution 2008/09 |
|------|---|----------------------|--------------------------|
| 1    | Up to £19,682                                 | 5% (manuals)<br>6%   | 5%<br>5%                 |
| 2    | £19,683 -£65,002                              | 5% (manuals)<br>6%   | 5% (manuals)<br>6.5%     |
| 3    | £65,003- £102,499                             | 6%                   | 7.5%                     |
| 4    | £102,500 plus                                 | 6%                   | 8.5%                     |

Note: The contribution rate for members in the current 'manual worker' category will remain at 5% until 31 March 2009 regardless of earnings. This means that any existing manual workers falling within tiers 3 and 4 would also qualify for the 5% contribution tier in 2008/09. From 1 April 2008, for members joining for the first time under the new arrangements, contributions are no longer dependent on whether employees are in manual grades as manual grades for pension purposes do not exist within the new arrangements and pensionable pay alone will determine the contribution tier. However following SPensiR's' agreement, members already paying 5% on 31 March 2008 and those returning to the "Revised 1995 NHS pensions arrangements" during 2008/09 whose previous NHS employment was as a manual worker will retain this rate for 2008/09 only.

### **Updates to the Contribution Rates Table**

- a. The table used to allocate staff to tiers will be updated by the Scottish Ministers from time to time.
- b. An updated table will be issued during 2008/09 once the AfC pay award is agreed.
- c. The updated table will be used for new starters who are allocated a contribution tier based on an estimate of 2008/09 earnings (see Annex B) who start on or after the implementation date of the revised table. Where a tier has been allocated this will not be amended on the issue of a revised table. Employers will be notified of the date the updated table is to be implemented when issued by the Scottish Ministers.

## 7. Allocation to Tiered Contribution Rates

### General Principles

(a) Once a tiered rate has been determined it is applied to the whole amount of pensionable pay. For example, someone with pensionable pay of £150,000 will pay contributions of 8.5% x £150,000.

(b) Pensionable pay used to determine a contribution tier is defined as follows:

(i) For employees in post as at 31<sup>st</sup> March 2008 pensionable remuneration should be uprated to include any fixed pensionable allowances uprated to full time equivalent (FTE) where the officer is part-time and uprated to full year where the officer has not been employed or in full pensionable employment for the period 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008. For periods of reduced pay the deemed rate of pay should be used. Deemed pay means the level of pensionable pay that the member was receiving before moving to reduced or nil pay (e.g. in the case of maternity leave or sick pay where the employer would continue to pay contributions on the higher level earnings). Any references to pay received, pay, earnings, income etc should therefore be read as plus any deemed pay.

(ii) For new employees commencing on or after 1<sup>st</sup> April 2008 pensionable remuneration should be the FTE annual salary for 2008/09 and FTE of any fixed pensionable allowances.

(c) Existing members currently classed as manual workers and paying 5% will retain the 5% contribution rate until 31<sup>st</sup> March 2009. This also applies to deferred pension members who return to the scheme's current arrangements during 2008/09 and within 5 years of leaving their previous employment as a manual worker. Those joining the "New Pension arrangements" on or after 1 April 2008 will be allocated to a tier on the basis of pensionable pay, as (b) (ii) above and not whether they are classified as a manual worker.

(d) The 2007/08 pensionable pay used to allocate the member to the contribution tier should not include any arrears of pay not applicable to that financial year.

(e) The new contribution rates are to be applied from Week 1 / Month 1 2008/09.

(f) Pence should be ignored when determining pensionable pay for the purpose of allocating members to tiers.

(g) Pensionable allowances for part-time workers should be uprated to the (FTE) full-time equivalent where applicable.

(h) Any disallowed days should be adjusted for by uprating to a full year, full time equivalent pensionable pay

(i) For Officer Members with multiple contracts, (FTE) pensionable pay under each contract is considered separately and each contract is allocated a tier individually.

(j) Members moving from one employment to another during 2008/09 should carry forward the tier they have already been allocated even if there has been a break between one employment ending and the new employment starting.

(k) Officer members who move to Practitioner posts will retain the contribution rate they were allocated for the year as Officer Members.

(l) Practitioners who leave the Practitioners' scheme and move to Officer Posts will pay the contribution rate they were allocated for the year as Practitioners.

(m) For GPs who perform additional work (e.g. fringe earnings such as bed fund payments) for NHS employing authorities, payroll departments should allocate an initial tier of 6.5% for all NHS fringe work. Practitioners Services Division will make the necessary adjustment to the tier once the annual certificate of pensionable earnings has been processed.

(n) Where allocation to tiers calls for the use of 2007/08 pensionable pay and every effort to obtain 2007/08 data is delayed and the member is unable to provide evidence of the allocated tier, then the member's contribution rate should be temporarily set by reference to the pensionable pay the employer estimates will be received during 2008/09 updated to an annual full time equivalent amount and adjusted if necessary when the delayed information becomes available.

(o) For members on or returning from Maternity Leave (no pay SMP etc), parental leave, paternity leave, sick leave (half pay, no pay, SSP) or career breaks etc, normal 'deeming rules' apply from the date of return (see paragraph (b)). Those who go to half pay during the year must continue to pay the rate of contributions for the tier they were placed in but based on the reduced amount of pensionable pay they actually receive. For those staff already on half pay, the tier should be based on their deemed rate of pay. For those who were on nil pay and had been so for the full 2007/08 pay period, they should be allocated to a tier based on estimated FTE pensionable pay for 2008/09.

(p) With respect to contribution tiers, members of the NHS Pension Schemes in England and Wales & Northern Ireland transferring to the NHS Pension Scheme for Scotland will be treated the same way as members transferring within the NHS Pension Scheme for Scotland whereby a contribution tier will be retained when applicable. Likewise those transferring from Scotland to other UK schemes should retain the tier they were allocated in Scotland where applicable.

**6.** Annex A to this notice gives more details for those who will be allocated to the contribution tiers from 1 April 2008, Annex B deals with members commencing employment part way through the 2008/09 financial year and Annex C is a table setting out some examples of how to calculate full year/full time pensionable pay. Annex D contains frequently asked questions.

**7.** Further information and scenarios may be posted on the SPPA website as they emerge and Payroll and HR departments will be advised by e-mail when information has been added.

Yours faithfully

Mrs Sharon Liptrott  
Policy Manager, NHSSS

## **Initial 1<sup>st</sup> April 2008 Allocation**

The initial allocation of members to contribution tiers is based on pensionable pay during 2007/08.

### **1. Continuous Pensionable Employment**

Member has continuous pensionable employment 1 April 2007 to 31<sup>st</sup> March 2008 inclusive:

General Principle:

Members who are employed on 1st April 2008 and who were continuously in pensionable employment throughout the scheme year 1 April 2007 to 31 March 2008 (2007/08) should have their contribution rate set according to the pensionable pay they received in that year.

Pensionable pay for part-time members should be uprated to the (FTE) full time equivalent.

Any disallowed days should be adjusted for by uprating to a full year's pay

#### **Scenarios:**

A. Member is full time and employed throughout the scheme year 1 April 2007 to 31 March 2008 by a single employer. Contribution rate is set according to the pensionable pay they received in that year.

B. Member is part time and employed throughout the scheme year 1 April 2007 to 31 March 2008. Contribution rate should be set according to the pensionable pay that would have been received in that year had the member worked full time.

C. Member has worked a combination of full time and part time continuously throughout the scheme year to 31 March 2008. Contribution rate should be set according to the pensionable pay that would have been received in that year had the member worked full time in both employments. That is, the part time employment would be uprated to (FTE) full time equivalent pay and added to the full time pensionable pay. An example which illustrates this calculation is included in the table at Annex C.

## 2. Part Year Pensionable Pay

Member is in pensionable employment 31<sup>st</sup> March 2008 and 1<sup>st</sup> April 2008 with the same employer but:

Member has changed employers during 2007/08.

Or

Member has only part year service during 2007/08.

Or

Member has part year scheme membership

### General Principle:

Members should have their contribution tier set based on the pensionable employment current as at 31<sup>st</sup> March 2008 uprated to the full year, (FTE) full time equivalent.

### Scenarios:

A. Member is employed on 31<sup>st</sup> March 2008 but changed employers during 2007/08. The member's contribution rate should be based on the pensionable earnings in the employment current as at 31<sup>st</sup> March 2008 uprated to full year equivalent, the earlier employment is disregarded. If the 31<sup>st</sup> March 08 employment is part time then pensionable earnings should be uprated to the (FTE) full time equivalent as well as full year equivalent.

B. Member is employed on 31<sup>st</sup> March 2008 but started the employment part way through 2007/08. The member's contribution rate should be based on the pensionable earnings in the employment current as at 31<sup>st</sup> March 08 uprated to Full year equivalent. If the employment is part time pensionable earnings should be uprated to (FTE) full time equivalent as well as full year equivalent.

C. Member is employed on 31<sup>st</sup> March 2008 but only had part year scheme membership in 2007/08. The member's contribution rate should be based on the pensionable earnings received during that period of membership uprated to full year equivalent if the member was only in employment for part of 2007/08. However if the member was in employment for the full year although not in membership for the full year, for the purposes of allocating a tier the member's actual pensionable pay received should be accepted as if contributions had been made to the scheme for the full year. (i.e. the tier will be based on 2007/08 actual pensionable earnings.) If the employment is part time pensionable earnings should be uprated to (FTE) full time equivalent as well as full year equivalent.

### 3. Concurrent Employments

Member is in pensionable employment which meets the criteria specified in sections 1 and 2 of this annex. However, the member has two or more such employment contracts concurrently.

#### **General Principle:**

Each employment contract should be assessed separately and assigned a contribution tier individually.

The tier for each employment contract should be determined by applying the rules outlined in sections 1 and 2 of this annex to each employment. This may result in different tiers being assigned to each employment contract.

#### **Scenarios:**

Member has two part time employments. Each employment should be taken separately and the contribution tier(s) set using the rules outlined above.

#### **Notes:**

- Concurrent employment requires each employment to have a separate employment contract.
- There is no difference between multiple employment contracts with single employer and concurrent employments with multiple employers.

**Tier Allocation during the 2008/09 financial year.**

Allocation of members to tiers during 2008/09 may be based on a tier calculated as at 31 March or 2008/09 estimated pensionable pay depending on circumstances.

**1. New Entrant**

Member joins the NHS Pension Scheme for the first time during 2008/09

**General Principle:**

Members should have their contribution tier set based on the employer's estimate of pensionable pay for 2008/09.

**Scenario:**

Member joins the NHS pension scheme during 2008/09 either on 1<sup>st</sup> April 2008 or later in the year. The contribution rate should be based on the pensionable pay the employer estimates will be received during 2008/09 uprated to the full year, (FTE) full time equivalent.

**2. Deferred scheme member returns to pensionable employment or changes employer on 1 April 2008**

Deferred scheme member who had left pensionable employment by 31 March 2008 and returns on or after 1 April 2008

**General Principle:**

Members not in employment as at 31 March 2008 but who return on or after 1 April 2008 or change employer on 1 April should have their contribution rate based on the pensionable pay the employer estimates will be received during 2008/09 uprated to the full year, (FTE) full time equivalent. (This does not apply to manual workers – see paragraph 3. of covering letter)

**Scenario:**

A. Member leaves the pension scheme in October 2007 and is not therefore a member at 31<sup>st</sup> March 2008 or when he commences new pensionable employment on 1 May 2008. In this case the contribution rate should be based on the pensionable pay the employer estimates will be received during 2008/09 uprated to the full year, (FTE) full time equivalent.



B. Member left employer on 31<sup>st</sup> March 08 and commenced with a different employer on 1st April 08. Contribution tier should be set by the pensionable pay the employer estimates will be received during 2008/09 uprated to the full year, (FTE) full time equivalent.

**Notes:**

- Because the member wasn't employed by the same employer over the 31<sup>st</sup> March 08 and 1<sup>st</sup> April 08 they will not have been given a contribution tier based on 2007/08 pensionable pay. Had they been employed by the same employer over the year end / year start then they would have been allocated a tier which they would then have retained for the later employment.

### **3. Members Moving Employments during 2008/09**

Member moves employment, either with the same or different employer during 2008/09:

**General Principle:**

New starters in 2008/09 who were previously working in the NHS as officers or practitioners and were allocated a contribution tier in that employment should have contributions deducted on the basis of their previously allocated contribution rate.

In other cases contributions should be based on the best estimate of pensionable pay for 2008/09.

**Scenario:**

A. Member moves employment during 2008/09. The contribution tier assigned with respect to the first employment in 2008/09 should be retained for the second and any subsequent employments in 2008/09.

### **4. Concurrent Employment Scenarios**

Member has concurrent employments with the same or a different employer:

**General Principle:**

Normally an employee will retain a contribution tier for the whole of 2008/09 and will retain the tier when moving employments. However there may be some circumstances where it will not be possible to identify an existing contribution tier that the member should retain. In such cases the contribution tier for the member's new employment should be based on estimated 2008/09 full year, (FTE) full time equivalent pensionable pay, rather than being carried over from a previous employment. Those who are bank nurses and other who have "zero hour" contracts are treated in the same way as any other member who has a part-time concurrent contract.

**Scenarios:**

A. If an employee takes up an additional post in 2008/09 then this is assessed as a new post and projected earnings are used.

- B. If employee leaves one post for another in 2008/09 then the previous rate applied is carried forward
- C. If employee has multiple posts, either part-time, bank or mixture and leaves one to take up another then the rate from the post given up should be carried forward
- D. If employee has multiple posts and terminates one then the rate for the other(s) carries on
- E. If employee gives up multiple posts and takes up a single post it is likely in most cases that this new post will be a move from one of the multiple posts, therefore this rate should be carried forward.

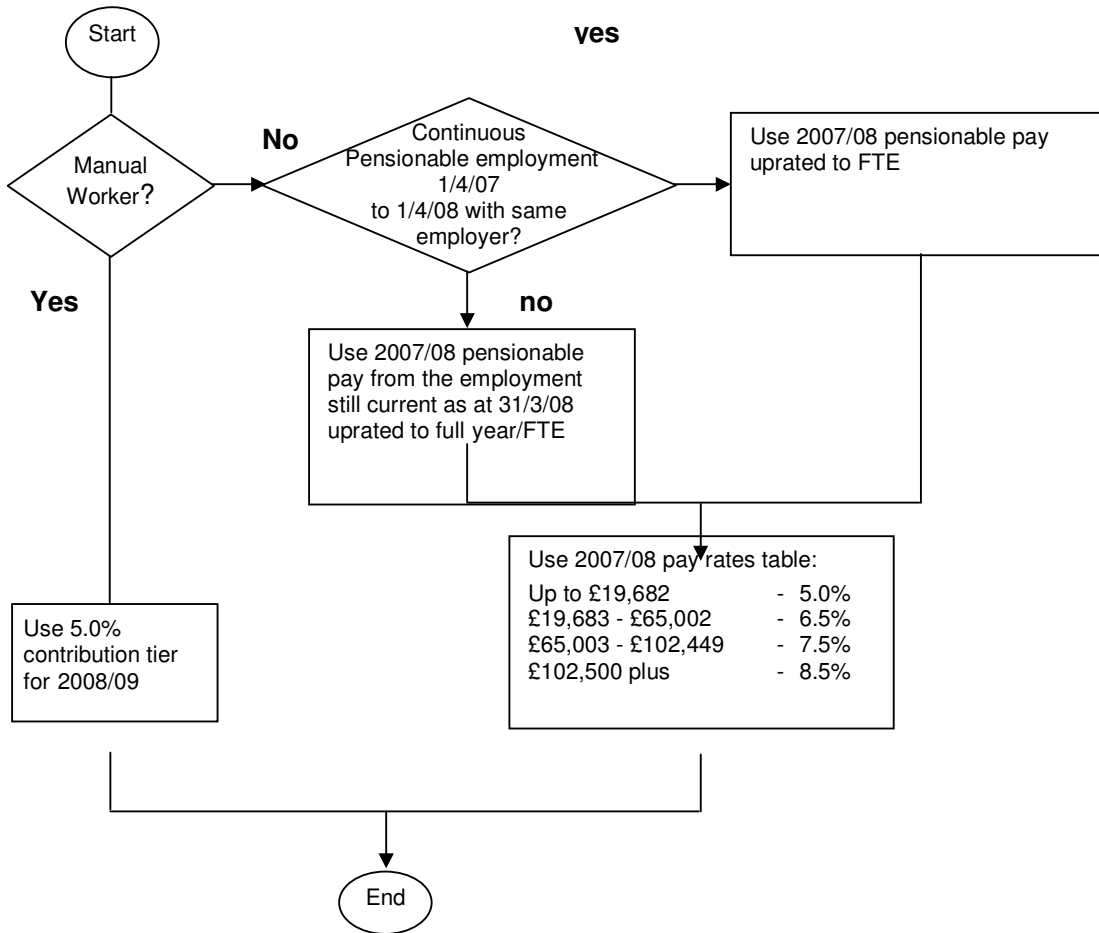
**Notes:**

- Concurrent employment requires each employment to have a separate employment contract.

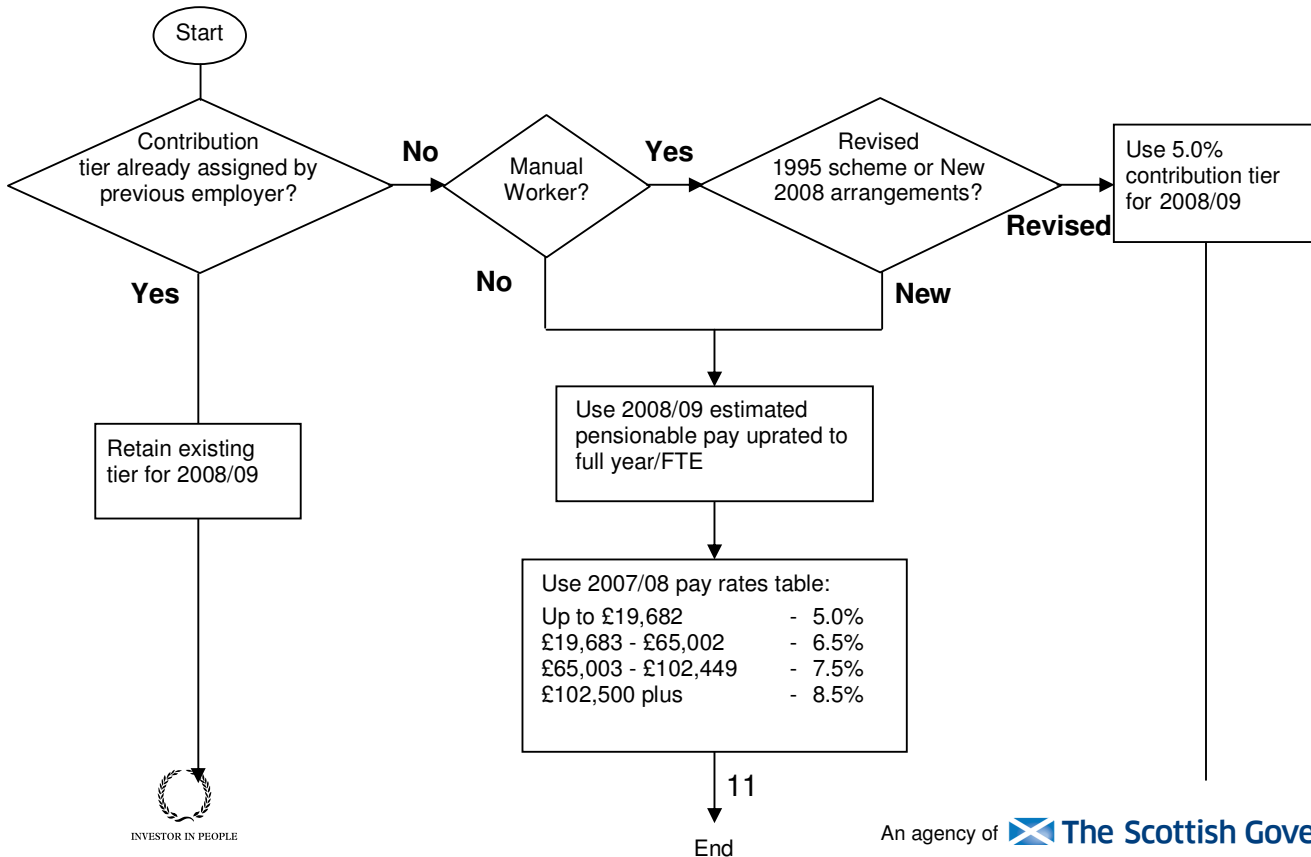
## 5. Flowcharts

The following flowcharts illustrate the rules to be applied when allocating members to contribution tiers at the start of 2008/09 and during 2008/09:

## Allocation to Tiers 2008/09 – Existing Employees on 31/3/08



## Allocation to Tiers – Changes during 2008/09



## Calculation of Full Year, Full Time Pensionable Pay

The table below gives some examples of how to calculate full year / full time pensionable pay.

| Scenario                                       |   | FTE Pensionable Pay   | Tier  |
|--|---|---|---|
| Full Time – Full Year                          | Employed full time  | £20,000   | 5% if Manual Worker (and a member of the existing arrangements)<br>6.5% otherwise |
|  | Continuous employment in 2007/08<br><br>2007/08 pensionable pay - £20,000.  | No adjustment is required.                                    |   |
| Full Time – Full Year but with disallowed days | Employed full time  | $£19,000 \times 1955/1900 = £19,550$                          | 5%  |
|  | Continuous employment in 2007/08<br>2007/08 pensionable pay - £19,000.<br><br>Pensionable hours worked = 1900<br><br>Full time hours = 1955 | That is:<br>Pensionable Pay x Full Time Hours / Actual Hours  |   |
| Part Time – Full Year                          | Employed part time 20 hours per week  | $£20,000 \times 37.5/20 = £37,500$                            | 5% if Manual Worker (and a member of the existing arrangements)<br>6.5% otherwise |
|  | Full time for post is 37.5 hours per week<br><br>Continuous employment in 2007/08<br><br>007/08 pensionable pay - £20,000.                  | That is:<br>Pensionable Pay x Full Time Hours / Actual Hours  |   |
| Full Time - Part Year                          | Employed full time  | $£10,000 \times 12/9 = £13,333$                               | 5%  |
|  | Continuous employment 01.07.2007 to 31.03.2008<br><br>2007/08 pensionable pay –<br><br>£10,000 for the period worked.                       | That is:<br>Pensionable Pay x Full Year / Part of Year Worked |   |
| Part Time – Part Year                          | Employed part time 20 hours per week  | $£10,000 \times 40/20 \times 12/7 = £34,286$                  | 5% if Manual Worker (and a member of the  |

|                           |  |  |  |
|---------------------------|--|--|--|
|                           | <p>Full time for post is 40 hours per week</p> <p>Continuous employment 01.09.2007 to 31.03.2008</p> <p>2007/08 pensionable pay – £10,000 for the period worked.</p>   | <p>That is:</p> <p><math>\text{Pensionable Pay} \times \frac{\text{Full Time Hours}}{\text{Actual Hours}} \times \frac{\text{Full Year}}{\text{Part of Year Worked}}</math></p>  | <p>existing arrangements)<br/>6.5%<br/>otherwise</p> |
| Mix part-time & full-time | <p>Employed part time 20 hours per week 1.4.07 to 30.11.07.</p> <p>Full time for post is 40 hours per week</p> <p>Employed full time 1.12.07 to 31.03.08</p> <p>2007/08 pensionable pay for employment 1 - £30,000.</p> <p>2007/08 pensionable pay for employment 2 - £10,000.</p> | <p><math>£30,000 \times \frac{40}{20} + £10,000 = £70,000</math></p> <p>That is:</p> <p><math>\text{Pensionable Pay Employment 1} \times \frac{\text{Full Time Hours}}{\text{Actual Hours}} + \text{Pensionable Pay Employment 2}</math></p> <p>Employment 1 is adjusted to full time. Employment 2 is already full time and is simply added to the adjusted Employment 1.</p> | 7.5%   |

## FREQUENTLY ASKED QUESTIONS

### Contribution Rates

#### What are the employee contribution rates?

| Tier | Annual Pensionable Pay (Full time equivalent) | Contribution Rate                       |
|------|---|---|
| 1    | Up to £19,682                                 | 5%                                      |
| 2    | £19,683 -£65,002                              | 6.5% (except for manuals who retain 5%) |
| 3    | £65,003- £102,499                             | 7.5% (except for manuals who retain 5%) |
| 4    | £102,500 plus                                 | 8.5% (except for manuals who retain 5%) |

#### What is the employer's contribution rate?

The employer's contribution rate remains at 14%.

#### What about pence?

When allocating a tier pence should be ignored. That is, you always round down.

#### Is a tier applied to the whole amount or only to income over the threshold?

Once a tiered rate has been determined it is applied to the whole amount. For example, someone with pensionable pay of £150,000 will pay contributions of 8.5% x £150,000.

#### Will there be a new table for 2008/09?

An updated table will be issued during 2008/9 once the AfC pay award is agreed.

#### Will tiers be revised when the new table is issued?

No. The updated table will be used for new starters who start after the new table is issued. It won't be applied retrospectively.

#### When do the new tiered contributions start?

The new contribution rates are to be applied from Week 1/ month 1 2008/09.

#### Can a member appeal against a tier?

If a member believes they have been allocated an incorrect tier by an error in applying the regulations then they should contact their employer. It should be noted that querying a tier on the grounds that income in 2007/08 was not representative of income expected in 2008/09 is not valid grounds for a challenge. Allocating a tier in most cases should be straightforward however in cases of difficulty SPPA, on behalf of the Scottish Ministers will allocate a tier.

## **Manual Workers**

### **What tier should be set for a current manual worker?**

Manual workers employed in 2007/08 will be members of the “revised 1995 scheme arrangements” as opposed to the “new scheme arrangements” for staff joining for the first time from 1 April 2008”. Therefore, they will all be allocated the 5% tier regardless of earnings.

### **What tier should be set for a manual worker who starts in 2008/09?**

A manual worker starting in 2008/09 may be a member of the “revised scheme arrangements” or the “new scheme arrangements”.

If they are a deferred member returning to the “revised scheme arrangements” (those that return to the scheme with a break of less than 5 years) and their last scheme employment was as a manual worker then they will be allocated the 5% tier as they have protected rights. However, if their last scheme job was not manual or they are joining the “new scheme arrangements” then their tier will be based solely on full year, full time equivalent pensionable pay plus allowances.

### **Does a manual worker lose the 5% tier if they change from manual?**

No. Once the tier has been set it will not be adjusted if the member moves to non manual employment.

### **Is protection for manual workers permanent?**

No. Protection for manual workers applies to 2008/09 scheme year only.

## **Pensionable Pay**

### **What is Full Year, Full Time Pensionable Pay?**

Full year, full time pensionable pay is all pensionable pay uprated to the equivalent that would have been paid had the member been full time employee, employed for a complete year. For example:

- a. A part time employee working 20 hours for a complete year and earning £20,000. If full time hours for the post were 37 the full time equivalent would be calculated by uprating the £20,000 by 37/20. That is full time equivalent =  $£20,000 \times 37/20 = £37,000$ .
- b. A full time employee starting half way through the year working 6 months out of the 12 and paid £20,000 for the half year. The full year equivalent would be calculated by uprating the £20,000 by 12/6. That is full year equivalent =  $£20,000 \times 12/6 = £40,000$ .
- c. A part time employee (works 20 hours, full time is 37) starting part way through the year (works 6 months out of the 12) and is paid £10,000 for the year. The full year, full time equivalent would be calculated by uprating the £10,000 by 12/6 and then by 37/20. That is full year, full time equivalent =  $£10,000 \times 12/6 \times 37/20 = £37,000$ .

### **Why are we uprating to full year, full time?**

We are uprating to full year, full time so that part time staff and full time staff are treated equally. Without uprating an employee with two part time jobs could be tiered at a lower

rate than a full time employee even if they earn the same money overall. Without uprating, a part time employee with a very high hourly rate could be tiered at a low rate simply because they work few hours. Similarly, without uprating to a full year, staff starting on the same pay at different times of the year could attract different tiers even though they are paid the same.

### **What if someone changes jobs in 2007/08 but stays with the same employer?**

Both jobs should be included in the 2007/08 pensionable pay figure and uprated (where necessary) to a combined full year, full time equivalent. For example:

- A full time employee works the first 6 months for £10,000 and the second 6 months for £15,000. Full year, full time pensionable pay for the year would be £25,000.

### **What if someone changed employers in 2007/08?**

If an employee changed employers in 2007/08, the employer will scale to a full year, full time equivalent based on the employment with them. For example:

- A full time employee works the first 6 months for £10,000 for one employer and the second 6 months for £15,000 with the second (current employer). Full year, full time pensionable pay for the year would be  $£15,000 \times 12/6 = £30,000$ .

### **Do we include pensionable allowances, enhanced pay or do we just use basic pay?**

Pensionable pay should include all pensionable pay and will include all pensionable allowances and enhanced pay etc. Pensionable allowances and enhanced pay should also be included in any uprating to full year and full time.

### **Do all pensionable allowances get uprated to full year and full time?**

Yes. All pensionable pay for a part time or part year member is included in the pro rata uprating to the full year, full time equivalent.

### **Do we include overtime payments?**

Overtime is not included as it is not part of pensionable pay.

### **Do we adjust for disallowed days?**

Yes. Pensionable pay should be adjusted for unpaid days in the same way that part years are uprated to full years.

### **What is pensionable pay for someone on sick pay or maternity pay etc?**

For members with maternity leave, parental leave, paternity leave, sick leave (half pay, no pay, SMP, SSP etc) or career breaks etc, normal 'deeming rules. Pensionable pay used to determine the tier should be based on their deemed (i.e. unreduced) rate of pay.

### **Do we adjust for arrears which may be included in the 02007/08 figures?**

Yes. Pensionable pay used to determine the tier should be based on all payments made in 02007/08 however employers will need to adjust for any arrears in 07/08 which relate to earlier years.

### **What do I do if the employee has multiple pensionable posts?**

If these posts are separate contracts then each post should be allocated a tier separately. If the posts all fall within the one contract then earnings may be aggregated by the employer and a single tier set.



**If someone gets promoted, steps down, changes employer etc. will pensionable pay be recalculated and a revised tier allocated?**

No. Once set a tier in 2008/09 it will not be revised for promotions, step downs, change of employer etc.

**New starters in 2008/09**

**How do I set a contribution tier for a new starter?**

This depends on whether the member has already been assigned a tier by a previous employer:

- If the member was employed by the same employer on 31<sup>st</sup> March and 1<sup>st</sup> April then they will have been allocated a tier. If this is the case then they will retain their existing tier.
- If the member changed employer on the 31<sup>st</sup> March / 1<sup>st</sup> of April or returned to the scheme on or after 1<sup>st</sup> April or is a new joiner for the scheme then they won't have been assigned a tier. If this is the case then the member should be allocated a tier based on an estimate of full year, full time equivalent pensionable pay based on the new post. Estimated pay should be uprated to full year, full time equivalent pensionable pay.

**Members taking their tier from job to job**

**When a member moves jobs does the member get allocated a new tier?**

Once a tier has been set for 2008/09 it will not be revised for promotions, step downs, change of employer etc.

**What if I the member has two part-time contracts and finishes one to move to a third part-time contract will the member still carry forward the tier allocated previously?**

Yes, where one employment has finished the tier will be allocated to the new employment carried over from the last employment.

**If the member moves from a practitioner's post to an officer's post does the member get a new tier?**

If the member has an earlier officer post in 2008/09 which had already been allocated a tier then the new Officer post will retain the tier allocated to the earlier officer post. Otherwise, the existing tier allocated to the practitioner's post will be retained and applied to the officer's post.

**Staff with more than one job**

**What do you we mean by multiple employments?**

By multiple employments we mean staff with more than one pensionable, part time employment covered by separate contracts of employment with the same or different employers.

**How do I calculate tiers for staff with more than one job (separate contracts)?**

In each post with a separate contract pensionable earnings should be treated separately and not aggregated. Each post should be uprated to its full year, full time equivalent and set a tier independently of the other employments. This may result in different employments receiving a different tier.