

HSC Pension Scheme

Actual Pay Factsheet – 1995 Section

If a member has part-time employment during a total pensionable pay (TPP) period, we require details of the actual salary received. The basic calculation involves extracting the information straight from payroll records for the period in question.

A straightforward TPP will cover a period of 365 paid days of pensionable employment. We will usually request the 'last three years' salary, which is generally defined as sets of 365 paid days of pensionable employment, counting back from the last day of membership. These principles are followed in all TPP calculations. For example, if a member retires on 1 December 2008, the actual pay period required for the final year would be 2 December 2007 to 1 December 2008.

Stepping back the TPP period

Unpaid sick leave is not pensionable, and will not count in the calculation of the TPP, or any benefit calculation. Where there is unpaid sick leave, the period over which pay for benefit purposes would normally be calculated would need to be extended backwards into the previous period, for a period equal to the unpaid sick leave. This will have the effect of making up the TPP period to 365 paid days. This is commonly referred to as 'Stepping Back'. Additional information is available under the section 'TPP Periods'.

Deemed Pay

When calculating pensionable pay for benefit purposes, any reduction on account of absence from duty, owing to illness or injury, should be added back into pensionable pay. This is commonly referred to as 'deeming'. Please note that deeming does not apply to unpaid sick leave.

Calculating contributions on deemed pay

Employee contributions should generally be collected on the amount of reduced pensionable pay actually received. Employer contributions should be collected on actual and deemed pay i.e. on the amount that would have been paid had the member not been on reduced pay because of absence.

Hours in part-time employment

If you have included deemed pay, you should also remember to include the hours, which correspond to the deemed pay when you provide the annual update.

