

HSC Pension Scheme Total Pensionable Pay (TPP) 1995 Section

In the 1995 Section of the HSC Pension Scheme, a TPP figure is the yearly pay earned in the best of the last 3 years immediately prior to termination.

The TPP should always cover a full 365 days of employment. To work out the TPP figure you should step back in sets of 365 employment days counting back from the last day of employment.

Example

Last day of membership = 15.05.2008

TPP period, step back 365 days 16.05.2007

1. Take all the whole months and add together.

Month	*Basic Pay	Cumulative Pay
June 2007	£1,200	£1,200
July 2007	£1,200	£2,400
August 2007	£1,200	£3,600
September 2007	£1,200	£4,800
October 2007	£1,200	£6,000
November 2007	£1,200	£7,200
December 2007	£1,200	£8,400
January 2008	£1,400	£9,800
February 2008	£1,400	£11,200
March 2008	£1,400	£12,600
April 2008	£1,400	£14,000

2. Take the first month of the TPP period May 2007 and calculate the number of days the TPP period covers 16.05.07 to 31.05.07 = 16 days.

Calculate the pay for that period:

$$\text{Basic pay} = \text{£}1,200 \times 16/31 = \text{£}619.35$$

3. Take the last month of TPP period May 2008 and calculate the number of days the TPP period cover 01.05.08 to 15.05.08 = 15 days

Calculate the pay for that period.

$$\text{Basic Pay} = \text{£}1,400 \times 15/31 = \text{£}677.42$$

4. Add results: $14000 + 619.35 + 677.42 = \text{£}15296.77$

If the member receives additional payments on an irregular basis that are “”, make sure that you include these in the basic pay.

If the member receives a shift allowance and the payment is made on a regular and continuing basis and forms part of the member’s normal employment, it should be treated as pensionable.

If the member has worked additional hours and it does not exceed whole time, the additional hours worked will be treated as pensionable and should be included in the basic pay.

If the member has been on half pay sick leave within the TPP period you should include the pay that they would have received had they not been on reduced pay (this is commonly known as deemed pay).

If the member has had a ‘no pay’ period within the TPP period you should step back the TPP period to ensure you use 365 paid days, eg, in the above example, if the member had received no pay from 1 April 2008 until 17 April 2008, you would step back a further 17 days, which would change the TPP period to 29.04.2007 - 15.05.2008.