

Final Pay Examples 2019-2020

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Final Pay Do's and Don'ts

Do	Don't
Use full-time equivalent salary figures in your calculations	Use actual salary figures in your calculations
	Use term-time salary figures in your calculations
Calculate an average over the period 1 st April 2019 to 31 st March 2020	Provide a salary figure as at 31 st March 2019
Include only additional elements of pay, pensionable under the 1997 Regulations*	Include additional elements of pay that were not pensionable under the 1997 Regulations*
Include overtime payments if they are contractual payments	Include overtime payments if they are not contractual payments
Scale-up your Final Pay figure for anyone working over full-time hours	Provide scale point figures for anyone working over full-time hours

Definition of Pensionable Pay 2007 Regulations

*The Local Government Pension Scheme Regulations 1997 (As Amended) Meaning of "pay".

13.-(1) An employee's pay is the total of-

- (a) all the salary, wages, fees and other payments paid to him for his own use in respect of his employment;
- ~~(b) the money value of any benefits provided for him by reason of his employment; and [\(SI1998/1238\)](#)~~
- (c) any other payment or benefit specified in his contract of employment as being a pensionable emolument.

(2) But an employee's pay does not include-

- (a) payments for non-contractual overtime;
- (b) any travelling, subsistence or other allowance paid in respect of expenses incurred in relation to the employment;
- (c) any payment in consideration of loss of holidays;
- (d) any payment in lieu of notice to terminate his contract of employment;
- (e) any payment as an inducement not to terminate his employment before the payment is made;
- ~~(f) any amount representing the money value of the provision of a motor vehicle (but see paragraphs (8) and (9))~~
~~(but see paragraph (8)) [\(SI1998/1238\)](#); or [\(SI1999/1212\)](#)~~
- (f) any amount treated as the money value to the employee of the provision of a motor vehicle or any amount paid in lieu of such provision (but see [paragraphs \(8\) and \(9\)](#); or [\(SI2002/206\)](#) [\(SI1999/1212\)](#))
- (g) in the case of an employee or former employee of the Commission for the New Towns, any payment made under any scheme relating to the termination of the employment of employees by the Commission in respect of the completion before a specified date of specified functions; or [\(SI2002/206\)](#)
- (h) a payment made in consequence of a School Achievement Award under the scheme established by the Secretary of State known as the School Achievement Award Scheme. [\(SI2002/206\)](#)

Final Pay examples

Scenario 1

Full-time

No additional elements of pensionable pay

Effective Date	Annual Full-time Salary	Hours per week	Weeks per year	Actual Salary
01/04/2016	31,000	37	52	31,000
01/09/2016	36,000	37	52	36,000

Calculation:

01/04/2016 to 31/08/2016 = 153 days

01/09/2016 to 31/03/2017 = 212 days

$153/365 \times 31,000 = 12,994.52$

$212/365 \times 36,000 = \underline{20,909.59}$

Total = 33,904.11

Final Pay = **£33,904.11**



Scenario 2

Part-time

No additional elements of pensionable pay

Effective Date	Annual Full-time Salary	Hours per week	Weeks per year	Actual Salary
01/04/2016	31,000	18.5	52	15,500
01/09/2016	36,000	18.5	52	18,000

Calculation:

01/04/2016 to 31/08/2016 = 153 days

01/09/2016 to 31/03/2017 = 212 days

$153/365 \times 31,000 = 12,994.52$

$212/365 \times 36,000 = \underline{20,909.59}$

Total = 33,904.11

Final Pay = **£33,904.11**

NB: The working hours have no effect on the Final Pay calculation



Scenario 3

Part-time, term-time

No additional elements of pensionable pay

Effective Date	Annual Full-time Salary	Hours per week	Weeks per year	Actual Salary
01/04/2016	31,000	18.5	42.68	12,721.92
01/09/2016	36,000	18.5	43.41	15,026.54

Calculation:

01/04/2016 to 31/08/2016 = 153 days

01/09/2016 to 31/03/2017 = 212 days

$153/365 \times 31,000 = 12,994.52$

$212/365 \times 36,000 = \underline{20,909.59}$

Total = 33,904.11

Final Pay = **£33,904.11**

NB: The working hours have no effect on the Final Pay calculation



Scenario 4

Joined during the year (part-year calculation)

No additional elements of pensionable pay

Effective Date	Annual Full-time Salary	Hours per week	Weeks per year	Actual Salary
01/06/2016	31,000	37	52	31,000
01/09/2016	36,000	37	52	36,000

Calculation:

01/06/2016 to 31/08/2016 = 92 days

01/09/2016 to 31/03/2017 = 212 days
304 days

$92/365 \times 31,000 = 7,813.70$

$212/365 \times 36,000 = \underline{20,909.59}$

Total = 28,723.29

Scale-up: $28,723.29 \times 365/304 = \text{£}34,486.84$

Final Pay = **£34,486.84**

NB: Remember to scale-up to represent a full 365 days



Scenario 5

Full-time
Additional elements of pensionable pay

Effective Date	Annual Full-time Salary	Hours per week	Weeks per year	Actual Salary
01/04/2016	31,000	37	52	31,000
01/09/2016	36,000	37	52	36,000

- Bonus payments paid between 01/04/2016 and 31/03/2017 = **£750**
- Honorarium payment of **£200** paid on 30/09/2016

Calculation:

01/04/2016 to 31/08/2016 = 153 days
 01/09/2016 to 31/03/2017 = 212 days
 365 days

153/365 x 31,000 = 12,994.52
 212/365 x 36,000 = 20,909.59
 Bonus Payments = 750.00
 Honorarium = 200.00
34,854.11

Final Pay = **£34,854.11**

NB: Final Pay must only include additional elements of pay which were pensionable under the 1997 Regulations. This does not usually include overtime payments, unless they are contractual payments.

Scenario 6

Part-time

Additional elements of pensionable pay

Effective Date	Annual Full-time Salary	Hours per week	Weeks per year	Actual Salary
01/04/2016	31,000	18.5	52	15,500
01/09/2016	36,000	18.5	52	18,000

- Bonus payments paid between 01/04/2016 and 31/03/2017 = **£375**
This would have been the full £750 if the member worked full-time
- Honorarium payment of **£200** paid on 30/09/2016
This would have remained £200 if the member worked full-time

Calculation:

01/04/2016 to 31/08/2016 = 153 days

01/09/2016 to 31/03/2017 = 212 days
365 days

153/365 x 31,000 = 12,994.52
 212/365 x 36,000 = 20,909.59
 Bonus Payments = 750.00
 Honorarium = 200.00
34,854.11

Final Pay = **£34,854.11**

NB: Final Pay must only include additional elements of pay which were pensionable under the 1997 Regulations. This does not usually include overtime payments, unless they are contractual payments.

Additional elements of pay should be scaled-up if a higher figure would have been paid to a full-time member.