



Leicestershire County Council Pensions Section

Calculation of Final Pay: Tips for iConnect Users

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General information about the Final Pay figure

- Final Pay is the pensionable pay as at age 65 using the last 365 days.
- This should be calculated on the basis of the pre 1st April 2014 definition of pensionable pay, meaning that non-contractual overtime **should not be included** in this calculation.
- If the member is part time, then the figure must be calculated on the full time equivalent pay.
- If the member is term time, then the figure must be calculated on the full time equivalent pay that would have been received, had they worked for the whole year, not just during term time.
- If the member receives 'fees', i.e. clerks to the governor or returning officers, please provide the actual annual figure, as a full time equivalent pay is not required.

- If the member received more than one rate of pay then these must be taken into account. This figure required is **not** just the pay that applied at age 65..
- If the member started their post after 1st April then the pay figure must be updated to annual equivalent
- If the member receives pensionable pay elements that are not salary related these must be included in calculations. If the member is part time then the employer should consider if this element needs increasing to a full time equivalent as well, i.e. would this element be higher if the member was full time?
- If the member has more than one post (excluding Clerk to Governor Posts), then an average pay, based on all the posts must be used here.
- If the member received reduced or no pay as a result of sickness or child related leave, then the pay the member would have received had he not been sick must be used (notional pay).

Example 1: Full time member, worked all year.

Salary at 1st April 2023: £24,000 (7 months)

Salary at 1st November 2023: £30,000 (5 months)

$$£24,000 \times 7/12 = £14,000$$

$$£30,000 \times 5/12 = £12,500$$

Final Pay: £26,500.

Example 2: Full time member, worked part year.

Member started 18th November 2023

Salary at 18th November 2023: £24,000 (1 month 13 days)

Salary at 1st January 2024: £27,000 (3 months)

$$£24,000 \times (1 + (13/30)) / 12 = £2,866.67$$

$$£27,000 \times 3/12 = £6,750$$

$$£2,866.67 + £6,750 = £9,616.67$$

$$£9,616.67 \times 365 / 134 = £26,194.66$$

Final Pay £26,194.66

Example 3: Member has two part time posts, hours unchanged through the year.

ONLY USE THIS EXAMPLE IF YOU HAVE ROLLED UP 2 OR MORE POSTS FOR A MEMBER ON YOUR I-CONNECT REPORT

A member has two posts:

Post 1: the member works 40% of full time for this post.

Full time pay at 1st April 2023: £24,000

Full time pay at 1st September 2023: £24,726

Post 2: the member works 45% of full time for this post.

Full time pay at 1st April 2023: £28,536

Full time pay at 1st December 2023: £29,736

Post 1

1st April 2023: £24,000 x 40% = £9,600 x 5/12 = £4,000

1st September 2023: £24,726 x 40% = £9,890.40 x 7/12 = £5,769.40

Post 2

1st April 2023: £28,536 x 45% = £12,841.20 x 8/12 = £8,560.80

1st December 2023: £29,736 x 45% = £13,381.20 x 4/12 = £4,460.40

£4,000 + £5,769.40 + £8,560.80 + £4,460.40 = £22,790.60

£22,790.60 x 100 / 85 = £26,812.47

Final Pay: £26,812.47

Example 4: A member has two posts, hours have changed during the year

ONLY USE THIS EXAMPLE IF YOU HAVE ROLLED UP 2 OR MORE POSTS FOR A MEMBER ON YOUR I-CONNECT REPORT

Post 1: the member works 50% of full time for this post for the period 1st April to 30th September then increased to 60% from 1st October 2023.

Full time pay at 1st April 2023: £24,726

Post 2: the member works 30% of full time for the whole year

Full time pay at 1st April 2023: £29,736

Full time pay at 1st December 2023: £31,576

Cumulative hours:

1st April 2023: 80%

1st October 2023: 90%

Pay: 1st April to 30th September (6 months)

Post 1: 1st April 2023: £24,726 x 50% = £12,363

Post 2: 1st April 2023: £29,736 x 30% = £8,920.80

Pay for this period: £21,283.80 x 100/80 = £26,604.75

£26,604.75 x 6/12 = £13,302.38

Pay: 1st October to 30th November (2 months)

Post 1: 1st October 2023: £24,726 x 60% = £14,835.60

Post 2: 1st October 2023: £29,736 x 30% = £8,920.80

Pay for this period: £23,756.40 x 100/90 = £26,396.00

£26,396.00 x 2/12 = £4,399.33

Pay: 1st December to 31st March 2024 (4 months)

Post 1: 1st December 2023: £24,726 x 60% = £14,835.60

Post 2: 1st December 2023: £31,576 x 30% = £9,472.80

Pay for this period: £24,308.40 x 100/90 = £27,009.33

£27,009.33 x 4/12 = £9,003.11

Final Pay: £13,302.38 + £4,399.33 + £9,003.11 = £26,704.82

Example 5: Pay reduced by sickness or maternity

A member has reduced pay as a result of sickness during the year, i.e. they have a period of half pay during September and October. Nevertheless, the pay used in the calculation should be the amount that would've been paid had they been at work. This would also apply to maternity cases.

Salary at 1st April 2023: £24,000 (7 months)

Receives pay at £12,000 during the period 1st September to 31st October. Returns to work on 1st November

Salary at 1st November 2023: £30,000 (5 months)

£24,000 x 7/12 = £14,000 (still based on the salary that would've been paid if the member were at work)

£30,000 x 5/12 = £12,500

Final Pay: £26,500.

Further Information

More information regarding the calculation of Final Pay, CARE Pay and Assumed Pensionable Pay can be found [on our website](#).

Any queries relating to this document, or to the completion of the year end data should be directed to Dean Campbell (0116 305 5862) dean.campbell@leics.gov.uk