



Employer training May 2019

Agenda

- Forms
- Assumed Pensionable Pay (APP)
- Re-employed pensioners
- New start spreadsheet checker
- Supplementary S20



Completion of SPF forms

- Available from employers area of SPF website
- Always use current versions
(not desktop)
- Retirement forms



Assumed Pensionable Pay

- Protects member's pension pot against reductions in pay (sickness / injury / child related)
- Reduced pay received (/49) is not added to pension account
- 3 month / 12 week average ~ annualised
- Apportioned to days during which pay is reduced

APP Example

- Jim earns £1,000 per month
- Half pay sickness for 60 days
- 3 month average
~ 3 x £1,000 ~ annualised to £12,000 (Annual APP)
- Apportioned to 60 days
~ £12,000 / 365 x 60 = £1,972.60 (Actual APP)
- £1,972.60 (/49) added to pension account, replaces pensionable pay received during period of reduction

APP and ill health / death in service

- Forms S8 and S9
- Annualised amount always required
- Dictates enhancements for ill health or survivors
- Actual APP may also be required
- Depends whether on reduced pay prior to ill health / death

See SPF APP guide at;

<https://www.spfo.org.uk/index.aspx?articleid=15844>

Re-employed pensioners

- For service and earnings limits, only applies if awarded CAY at retirement
- Under 55 rule applies regardless
- SPF do not apply LGPS abatement
- 3 areas of concern;
 1. Retired under 55 (relied on protection)
 2. Earnings limit
 3. Service limit

Retired under 55

- Retired 50 ~ 55 on redundancy or efficiency
- Then re-employed before reaching 55
- Age 50 protection lost
- Lump sum & pension payments become unauthorised and subject to tax from HMRC

Earnings limit

- Pay in new LGPS employment (actual pay, not FTE)
- Plus pension (LGPS and CAY)
- Cannot exceed Final pay when retired (inflated to current date)
- If it does, CAY reduced by the excess (possibly extinguished)

Service limit

- Re-employed by LGPS employer
- Does not matter whether they re-join the scheme
- Cannot exceed service to age 65 in first employment
- Example probably best

Service limit example

LGPS membership at retirement	27 years 300 days
CAY awarded	<u>06 years 243 days</u>
Total pension based on	34 years 178 days

From retirement to age 65	11 years 085 days
Plus LGPS membership	27 years 300 days
Total	39 years 020 days
Less initial membership	34 years 178 days

Can work 4 years 207 days before CAY affected

What does it mean ?

- Members tend not to read small print at retirement
- Crucial employers notify SPF
- Could be included in recruitment processes?



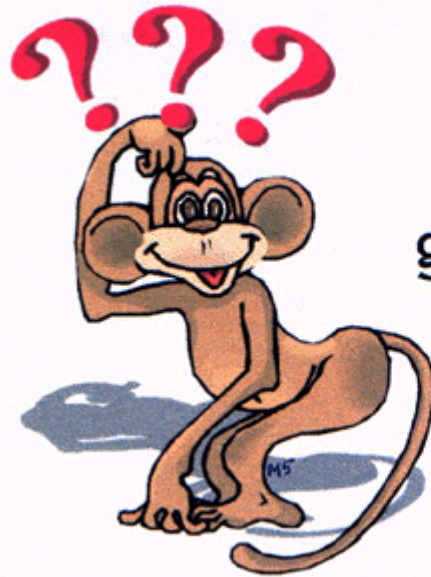
SPF Spreadsheet checker

- New start spreadsheet
Example

Please bear with me!!!!

Link to Page with Spreadsheet Checker - <https://www.spfo.org.uk/index.aspx?articleid=15845>

Questions?



Questions
are
guaranteed in
life;
Answers
aren't.