

## **NHS Pension Scheme - Calculating Composite TPPs**

### **What is a composite TPP?**

A composite is when more than one employment overlaps in the TPP period.

### **Why do I have to work out a composite TPP?**

A composite TPP reflects what a member would have earned had they worked whole-time in the same post using the same proportions. It takes into account members who may have more than one overlapping post, and may also be on different rates of pay during the TPP period.

### **When do I have to work out a composite TPP?**

You will have to work out a composite TPP when:

- there is more than one post in the TPP period, (the last three years if necessary)  
And
- the accrued benefits in respect of two or more posts are paid at the same time

### **You do NOT have to work out a composite TPP when:**

- there is only one post in the TPP period, (the last three years if necessary)  
Or
- there is only one post in the TPP period, (the last three years if necessary) for which you are going to pay benefits.  
Or
- the posts equate to whole-time and are at the same rate of pay.

### **If I am going to work out a composite TPP what information do I require?**

To work out the composite you will need for each post;

- the number of sessions/hours worked in the TPP period
- the length (in hours) of each session, if the post is sessional
- the rate of pay per hour/session including any changes in rate of pay

- the standard whole time hours/sessions for the grade

(It is sometimes helpful if you have the dates that hours/sessions were worked in “As and When” contracts, where very few hours/sessions were worked).

## How do I work out a composite TPP?

### Step 1

Work out how much would have been earned, whole-time, in each employment during the TPP period to establish the NWT TPP

Remember:

- if there are changes in pay rates or contracts work out the different periods separately for all employments
- consider the whole of the last three years, if its going to make a difference

### Step 2

Work out the composite TPP by apportioning the NWT TPP’s for each employment, during the overlapping period as follows:

$$\frac{\text{Number of hours or sessions worked in the employment}}{\text{Number of hours or sessions worked in all employments}}$$

### Step 3

Add all of the component parts of the TPP to arrive at the total composited NWT TPP.

NOTE: The composite should be calculated on a like with like basis i.e. hours only or sessions only and take into account changes in contracts or pay rates.

## Example 1

Two sessional jobs ending on the same day. All sessions are 3½ hours in length and there are no changes in rates of pay during the TPP period.

TPP period 01/04/2011 to 31/03/2012

JOB A 3/11 ths

JOB B 1/11 ths

JOB A Annual rate for 3 sessions a week = £7920.00 LDOS  
01/04/2011

JOB B Annual rate for 1 session a week = £2010.00 LDOS  
01/04/2011

### Step 1

Calculate the NWT TPP for each job

JOB A = £7920.00 x 11/3 = £29040.00

JOB B = £2010.00 x 11/1 = £22110.00

### Step 2

Work out the composite TPP by apportioning the NWT TPP's for each overlapping period during the TPP period as follows:-

**Sessions worked in the employment**  
**Sessions worked in all the employments**

JOB A = £29040.00 x 3/4 = £21780.00

JOB B = £22110.00 x 1/4 = £5527.50

### Step 3

Add together everything worked out at STEP2

£21780.00 + £5527.50 = £27307.50 Total composite

## Example 2

**(Job A) part time post and nursing bank hours (Job B) worked concurrently at differing rates of pay.**

**TPP period 01/04/2011 to 31/03/2012**

JOB A                      Annual rate for 18/37.5 hours a week      =      £12000.00  
LDOS 01/04/2012

JOB B                      Annual rate for an hour a week                      =      £ 780.00  
LDOS 01/04/2012

### Step 1

Calculate the NWT TPP for each job

JOB A              =      £12000.00 x 37.5/18                                      =      £25000.00

JOB B              =      £780.00 x 37.5 /1    =      £29250.00

### Step 2

Work out the composite TPP by apportioning the NWT TPP's for each overlapping period during the TPP period as follows:-

**Hours worked in the employment**  
**Hours worked in all the employments**

JOB A              =      £25000.00 x 939/991                                      =      £23688.19

JOB B              =      £29250.00 x 52.143/991                                      =      £1539.03

### Step 3

Add together everything worked out at STEP2

£23688.19 + £1539.03                                      =      £25227.22 Total Composite

### Example 3

#### Two part time officer jobs ending on different days at different rates of pay.

TPP period 01/04/11 to 31/03/2012

JOB A - contracted 18/37.5 throughout

JOB B - 01/04/2011 to 15/05/2011 (45 days) at 10/37.5 hours

The **composite period** in this example is the period from **01/04/2011 to 15/05/2011 (45 days)**.

JOB A      Annual rate for 18/37.5 hours a week      =      £12000.00  
LDOS 01/04/2011

JOB B      Annual rate for 10/37.5 hours a week      =      £ 8000.00  
LDOS 01/04/2011

#### Step 1

Calculate the NWT TPP for each job **within the composite period (45 days)**

JOB A       $\frac{£12000}{18} \times \frac{37.5}{365} \times 45$       =      £3082.19

JOB B       $\frac{£8000}{10} \times \frac{37.5}{365} \times 45$       =      £3698.63

#### Step 2

Work out the composite TPP by apportioning the NWT TPP's for each employment, **within the composite period**, as follows:

**Hours worked in the employment**  
**Hours worked in all the employments**

JOB A      =      £3082.19 x 116/180      =      £1986.30

JOB B      =      £3698.63 x 64/180      =      £1315.07

#### Step 3

Add together everything worked out at STEP2

$$£1986.30 + £1315.07 = \underline{\underline{£3301.37}}$$

To complete the TPP calculation the remaining period of 320 days from job A would need to be calculated and added to the figure at STEP 3:-

$$\begin{aligned} \text{JOB A } £12000 / 18 \times 37.5 &= £25000 / 365 \times 320 &= &£21917.81 \\ & &+ &\underline{\underline{£3301.37}} \\ & &= &\underline{\underline{£25219.18}} \text{ Total Composite} \end{aligned}$$