

NHS Pensions - Notional Whole Time Total Pensionable Pay (TPP) – 1995 Section

In order to ensure equitable benefits for all members, irrespective of the nature of their employment contract, a common approach is taken when calculating the Total Pensionable Pay for a part time employee. In principle, the two elements used for all pension transactions, the membership and pensionable pay will be used at their whole time equivalents. For instance, if someone has worked part time for, say 50% of the standard full time hours, for 20 years they will have 10 years membership counting towards their benefit calculations. The other main factor is that for the calculation of benefits the pensionable pay is based on the fulltime equivalent pay for that job. This is known as a 'notional whole time TPP'.

At retirement stage we normally request the last three years notional whole time salary which is counted back from the last date of pensionable membership extended by any untaken paid annual leave.

To be able to accurately calculate the NWT please use the following formula:

$$\text{NWT} = \frac{\text{Actual Pay in TPP period} \times \text{Annual Standard hours}}{\text{**Actual pensionable hours worked in the TPP period}}$$

**Actual pensionable hours worked in the TPP period

* Standard hours – the hours the member would have worked if they were whole time (To calculate the yearly standard hours of 37.5 hours per week X 52.143 weeks in the year = 1955 hours)

** Actual hours – the hours that the member has actually worked during the pensionable pay period

Example

Using the actual TPP figure of £15296.77 (from the How to calculate a TPP factsheet), the NWT figures are as follows:

$$\frac{\text{£15296.77} \times \text{1955 (37.5 hours per week)}}{834 \text{ (total pensionable hours worked in TPP period)}} = \text{£35857.54}$$

Please remember if the NWT is to be provided for the full specific periods (sometimes not a full year) the figures will have to be calculated pro-rata.

Calculating the TPP if the member has both whole time and part time membership in the TPP period

The TPP will be the total of the actual TPP for the whole time membership and the notional whole time (NWT) TPP for the part time membership.

Deemed pay should always be included where appropriate. For more information please read the Deemed Pay Factsheet..