

Guidance for members of the Research Councils' Pension Scheme

Date: 8 August 2016

Changing Working Patterns Part-time, term-time and seasonal working

Type of Guidance	Fact Sheet (CWP 2)
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Overview

This fact sheet is part of a set of fact sheets that provide you with a guide to changes in working patterns together with information about how these changes could impact on your pension. The impact on your pension may vary depending on what scheme you are in.

Note: Any change in working patterns or breaks in service need to be agreed with your employer.

This fact sheet provides information with regard to understanding how changes in your working hours affect how your pension is worked out.

Part-time working

Part-time working is anything less than full-time.

Classic, classic plus and premium

The pensionable earnings used to work out your pension benefits are generally the full-time equivalent, regardless of how many hours you work.

Working part time will reduce your pension by reducing your reckonable service. Your pension is based on your reckonable service and your full-time equivalent pensionable earnings.

Example 1

Emma is in premium. Her full-time equivalent earnings are £27,000 a year and her part-time pensionable earnings (18.5 hours a week) are £13,500 a year (18.5/37ths of £27,000).

If she works for 6 years she will build up $18.5/37 \times 6 = 3$ years' reckonable service. Her pension would be worked out as her actual service (3 years) $\times 1/60 \times$ her full-time equivalent pensionable earnings (£27,000) = £1,350 pension per annum

Example 2

Tom is in classic and has worked full-time (37 hours) for the last 15 years. His current full-time salary is £25,000. He now wants to work part-time doing 22.2 hours (3 days) per week.

He has already built up 15 years' reckonable service and after, for example, 5 years working part-time he would have built up another $22.2/37 \times 5 = 3$ years' additional service

bringing his total reckonable service to 18 years. His pensionable earnings are still £25,000 (even though his actual part-time earnings are £15,000) so he could anticipate a pension of $18/80 \times £25,000 = £5,625$ pension per annum and a lump sum of 3 times his pension which comes to £16,875.

Nuvos

You earn pension amounts each year at 2.3% of your pensionable earnings. If your pay reduces as a result of working fewer hours, then the pension you earn will be reduced accordingly.

Is my pension lump sum based on my part-time service?

In classic, your pension lump sum is based on your pension so if you reduce your reckonable service by working part-time, this will reduce your pension and therefore your automatic lump sum of 3 x your pension. In premium or nuvos you can give up some of your pension to provide a lump sum so if you reduce your pension by working part time this will reduce the maximum lump sum you can take (as it is a multiple of your pension)

Part-time working on medical grounds

If your employer agrees, with advice from their medical adviser, that you can temporarily reduce your working hours on medical grounds, for example following an accident or operation, your reckonable service / pension accrual will be worked out as if you had not reduced your hours.

I work around my family commitments – how will this affect my pension?

Term-time and seasonal working

Term-time or seasonal working means working full or part-time hours, but for less than the full year.

classic, classic plus and premium

Your pensionable earnings used to work out your pension are generally the full-time equivalent, regardless of how many hours you work.

Your reckonable service for classic, classic plus and premium is derived from how many hours you work in a year.

$$\text{Reckonable service} = \frac{\text{Total hours worked each year}}{52.2 \times \text{Weekly full-time hours for your grade}}$$

nuvos

You earn pension amounts each year at 2.3% of your pensionable earnings. If your pay reduces as a result of working fewer hours, then the pension you earn will be reduced.



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Other Fact Sheets in this series are:

Working Patterns

How your pension is worked out (CWP1)

Flexible and shift working (CWP3)

Different Kinds of breaks

Career breaks (CWP4)

Special leave, Maternity, Paternity and Adoption leave, Parental leave and Time off for dependants (CWP5)

Contact JSS:

<http://jsspensions.nerc.ac.uk/contact.asp>

JSS Website:

<http://jsspensions.nerc.ac.uk/default.asp>