

PENSIONABLE SHIFT PAY

Pre 2009 Members

WHO IS THIS FACTSHEET FOR?

This factsheet is for members of the pre 2009 Section of the Shell Contributory Pension Fund (SCPF) and the Shell Overseas Contributory Pension Fund (SOCPF) who have been in receipt of a Pensionable Shift Allowance during their career.

HOW IS THE SHIFT ALLOWANCE INCLUDED IN MY PENSION CALCULATION?

Your Employing Company currently exercises its discretion to include your pensionable shift allowance when calculating your pension benefits. This may change in the future, however at present:

Pensionable shift allowance is included in the calculation of your pension to some extent if you received it within any of the previous 13 years immediately before ceasing to be an active member of the SCPF and SOCPF.

There are two methods in calculating the pensionable shift allowance:

Method 1

If you have been receiving a pensionable shift allowance for the whole of the three years immediately before ceasing to be an active member, the pensionable shift allowance that is included in your final pensionable salary is calculated as the highest of:

- a) The pensionable shift allowance you received in the 12 months before you left
- b) The average of the last 3 years' pensionable shift allowance you received
- c) The average of the best 3 years' pensionable shift allowance you received in the last 13 years (at the same date in the same month as your date of leaving) adjusted by the movement in the Retail Price Index (RPI) over this period.

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Pensionable Salary is your basic salary plus any pensionable shift allowance (excluding overtime, bonuses and non-pensionable allowances) on which your SCPF contributions are based. Salary sacrifice arrangements do not count towards this assessment.

Final Pensionable Salary is the salary on which your pension is calculated at the date you cease to be an active member.

Your pension is based on a formula:

Final Pensionable Salary
x Pensionable Service x
1/54th accrual rate

Retail Price Index is a measure of inflation in the UK.

HOW IS THE SHIFT ALLOWANCE CALCULATED? (cont...)

Method 2

If you have not been paid a pensionable shift allowance for the whole of the 3 years before leaving, but received a pensionable shift allowance at some point in the previous 13 years, then the amount of pensionable shift allowance that is included in your final pensionable salary is calculated as the highest of:

- The average of the last 3 consecutive years' pensionable shift allowance received
- The average of the best 3 consecutive years' pensionable shift allowance received in the last 13 years (at the same date in the same month as your date of leaving) adjusted by the movement in the RPI.

EXAMPLE 1 – CALCULATING YOUR FINAL PENSIONABLE SALARY

Ollie is retiring from Shell on 31 May 2019, he has been a member of the pre 2009 section of the SCPF for 30 years, working offshore and in receipt of a pensionable shift allowance for the whole of his career. Therefore, as Ollie has been in receipt of pensionable shift allowance for the last 3 years immediately before leaving, his final pensionable salary includes shift allowance calculated using Method 1.

Shift pay details:

12 Month Period	Annual Shift Pay
Last 12 months to 31 May 2019	£8,300
2018	£8,200
2017	£8,200
2016	£8,200
2015	£8,000
2014	£9,300
2013	£10,300
2012	£10,100
2011	£9,800
2010	£9,200
2009	£8,600
2008	£8,300
2007	£7,900
2006	£2,600

a) Pensionable shift received in the last 12 months	£8,300 pa
b) Average annual pensionable shift allowance in the last 3 years	£8,233 pa
c) Average of the best 3 years' pensionable shift allowance received in the last 13 years (at the same date in the same month as the date of leaving) adjusted by RPI up to current date	£11,588 pa

The highest pensionable shift received is **c) £11,588** above and therefore this will be the pensionable shift allowance included in the final pensionable salary used to calculate his pension.

EXAMPLE 2 – CALCULATING YOUR FINAL PENSIONABLE SALARY

Olivia is leaving Shell on 30 June 2019, she has been a member of the pre 2009 section of the SCPF for 20 years, working onshore and received a pensionable shift allowance for the first 10 years of her career, followed by 2 years receiving pensionable shift rundown allowance and the last 8 years receiving no pensionable shift allowance. Olivia's final pensionable salary includes pensionable shift pay following Method 2 above.

Shift Pay details:

12 Month period	Annual Shift Pay
Last 12 months to 30 June 2019	£0
2018	£0
2017	£0
2016	£0
2015	£0
2014	£0
2013	£0
2012	£0
2011	£3,300
2010	£6,600
2009	£9,000
2008	£10,000
2007	£10,300
2006	£9,800

a) The average of the last 3 years' pensionable shift allowance received £6,300 pa

b) The average of the best 3 years' pensionable shift allowance received in the last 13 years (at the same date in the same month as your date of leaving) adjusted by the movement in the RPI. £13,526 pa (including RPI adjustment)

The highest pensionable shift received is b) £13,526 (including RPI adjustment) and therefore this will be the pensionable shift allowance included in the final pensionable salary used to calculate her pension.

EXAMPLE 3 – CALCULATING YOUR FINAL PENSIONABLE SALARY

Stefan is leaving Shell following a redundancy, he has been a member of the pre 2009 section of the SCPF and SOCPF for 25 years. Stefan worked offshore receiving a pensionable shift allowance for the first 9 years of his career, followed by 2 years receiving pensionable shift rundown allowance and the last 14 years receiving no pensionable shift allowance. Stefan's final pensionable salary does not include pensionable shift pay as he has not been in receipt of it within the last 13 years prior to his date of leaving.

IS PENSIONABLE SHIFT INCLUDED IN THE PENSIONABLE SALARY SHOWN ON MY ANNUAL PENSION STATEMENT?

If you have not been paid a pensionable shift allowance within the last 12 months prior to your benefit statement date of (5 April), the deferred pension payable from pension date will not include any historical pensionable shift allowance. The amounts shown will be calculated using your base pay only at the date of the statement. This is to ensure that your future pensions as shown on the statement are not overstated due to the 13-year rule that applies. This may mean that your accrued pension is understated if you leave within the next 13 years.

However, if you wish to receive a statement at any time to include pensionable shift allowance, please contact the Pensions Administration Team at UK-PensionsAdmin@shell.com for a bespoke estimate.

CONTACT DETAILS

If you have any questions regarding the information in this factsheet, please contact the Pensions Administration Team.

Email: UK-PensionsAdmin@shell.com

Write to: Pensions Administration Team, Trustee Services Unit, Shell International Limited, Shell Centre, London, SE1 7NA