

Shell Contributory Pension Fund (SCPF)

Part time working – Factsheet

Introduction

This factsheet provides information for members of the SCPF on the effect of a change in contractual hours has on SCPF pension benefits.

A change of contractual hours may only be granted at your Employing Company's discretion. Therefore it is important that you read the relevant policy on HR online in conjunction with this factsheet.

SCPF Pension calculation

Your pension calculation is based on a number of factors; your pensionable service, your final pensionable salary and the accrual rate. For many people, assuming their contractual hours remain the same throughout their pensionable service, it's simply a case of the pension being calculated as one 54th (for pre-2009 section members) or one 60th (for post-2009 section members) of final pensionable salary for each year of pensionable service.

If, however, different contractual hours have applied during your pensionable service, the calculation of your pension is based on the full time equivalent final pensionable salary but periods of part time service are pro-rated. The example below gives full details of how this works.

You should note that it is service, rather than salary, that is pro-rated for the purpose of the annual pension benefit statement; the resultant amount of pension is the same regardless of which method is used.

Death in Service

If you were to die in service, the death in service lump sum would be calculated as 3 times the *actual* pensionable salary you were receiving at date of death *and not the full time equivalent pensionable salary*. If your contractual hours at the time of your death were reduced, your pensionable salary corresponds to those contractual hours. This is because individuals are remunerated (both in terms of salary and most other benefits) for the hours they work, not the hours they could work if they were full time employees.

The basis of the pension your dependants would receive upon your death takes account of the potential service you could have accrued had you remained in employment until your Normal Pension Date. This potential service (i.e. the service between the date of death and your Normal Pension Date) is based upon your contractual hours at the date of your death.

Example

Consider a pre-2009 section member with the following background:

Date of Birth 1 March 1970

Date joined SCPF 1 July 1990
 Normal Pension Date 1 March 2030
 Date of Leaving 30 June 2010

Service History 1 July 1990 to 30 June 2000 - full time
 1 July 2000 to 30 June 2005 - part time (hours worked per
 week = 24, full time hours per week = 36)
 1 July 2005 to 30 June 2010 - part time (hours worked per
 week = 18, full time hours per week = 36)
 Actual Pensionable Salary £15,000 p.a. as at 30 June 2010 (actual part time salary
 received)

Pension calculation at date of leaving

The member's pension as at 30 June 2010 is calculated as:

Pensionable Salary = Full time equivalent = £15,000 x 36 / 18 = £30,000 p.a.
 Pensionable Service = Full time equivalent = (10 years full time) + (5 years x 24 / 36)
 + (5 years x 18 / 36)
 = 15 years and 10 months
 Accrual rate = 1 / 54
 Accrued pension = Accrual rate x Pensionable Service x Pensionable Salary
 = 1 / 54 x 30,000 x (15 + 10 / 12)
 = £8,796.30 p.a.

Death in service lump sum

The member's death in service lump sum is calculated as:

Pensionable Salary = Actual pensionable salary = £15,000 p.a.
 Death in service lump sum = 3 x Actual Pensionable Salary
 = 3 x 15,000
 = £45,000