



PENSIONABLE SHIFT PAY

Post 2009 Members

WHO IS THIS FACTSHEET FOR?

This factsheet is for members of the post 2009 Section of the Shell Contributory Pension Fund (SCPF) and the Shell Overseas Contributory Pension Fund (SOCPF) and who have been in receipt of 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 the pensionable shift allowance when calculating pension benefits. This may change in the future, however at present:

Your final pensionable salary is calculated as the best average salary over a three year period in the last five years before ceasing to be an active member of the SCPF and SOCPF. Therefore, if you have been in receipt of pensionable shift allowance during the last 5 years of employment, it may be included in the calculation of your final pensionable salary.

EXAMPLE 1 – CALCULATING YOUR FINAL PENSIONABLE SALARY

Ollie is retiring from Shell on 31 May 2019, he has been a member of the post 2009 section of the SCPF for 8 years, working offshore and in receipt of pensionable shift allowance for the full 8 years. Therefore, as Ollie has been in receipt of pensionable shift allowance for at least the last 5 years immediately before leaving, his final pensionable salary would include shift allowance.

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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
1/60th accrual rate

EXAMPLE 1 – (cont...)

Ollie's pensionable pay details:

12 Month period	Annual Basic Salary	Annual Pensionable Shift Pay	Total Pensionable Salary
Last 12 months to 31 May 2019	£65,000	£11,000	£76,000
2018	£62,200	£9,700	£71,900
2017	£60,800	£9,350	£70,150
2016	£59,000	£8,900	£67,900
2015	£54,000	£8,100	£62,100

Ollie's final pensionable salary is calculated by finding the best average pensionable salary over a three year period in the last five years to the date of ceasing to be active member of the SCPF and SOCPF. Using the data from the above table, the final pensionable salary is an average of pensionable salary over the last three years.

$$\frac{£76,000 + £71,900 + £70,150}{3} = £72,683,33$$

EXAMPLE 2 – CALCULATING YOUR FINAL PENSIONABLE SALARY

Olivia is leaving Shell on 30 June 2019, she has been a member of the post 2009 section of the SCPF for 10 years, working onshore and received a pensionable shift allowance for the first 4 years of her service, followed by 2 years receiving pensionable shift rundown allowance and the last 3 years receiving no pensionable shift allowance.

Olivia's final pensionable salary may include pensionable shift allowance as it has been paid within the last 5 years.

Olivia's pensionable pay details:

12 Month period	Annual Basic Salary	Annual Shift Pay	Total Pensionable Salary
Last 12 months to 30 June 2019	£55,000	£0	£55,000
2018	£53,000	£0	£53,000
2017	£51,500	£0	£51,500
2016	£50,000	£3,500	£53,500
2015	£49,000	£6,000	£55,000

Olivia's final pensionable salary is calculated by finding the best average pensionable salary over a three year period in the last five years to the date of ceasing to be active member of the SCPF and SOCPF. Using the data from the above table, the final pensionable salary is an average of pensionable salary over the period from 2015 – 2017.

$$\frac{£51,500 + £53,500 + £55,000}{3} = £53,333.33$$

EXAMPLE 3 – CALCULATING YOUR FINAL PENSIONABLE SALARY

Stefan is leaving Shell following a redundancy on 31 July 2019, he has been a member of the post 2009 section of the SCPF and SOCPF for 8 years. Stefan worked offshore receiving a pensionable shift allowance for the 1st year of his service, followed by 2 years receiving pensionable shift rundown allowance and the last 5 years receiving no pensionable shift allowance. Stefan’s final pensionable salary would not include pensionable shift allowance as he has not been in receipt of it within the last 5 years prior to his date of leaving.

Stefan’s pensionable pay details:

12 Month period	Annual Basic Salary	Annual Shift Pay	Total Pensionable Salary
Last 12 months to 31 July 2019	£48,000	£0	£48,000
2018	£45,000	£0	£45,000
2017	£43,500	£0	£43,500
2016	£42,700	£0	£42,700
2015	£41,500	£0	£41,500

$$\frac{£48,000 + £45,000 + £43,500}{3} = £45,500$$

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

Your pension benefits are calculated using your final pensionable salary at the date of the statement which may include an element for pensionable shift allowance taking into account the final pensionable salary methodology.

CONTACT DETAILS

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

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