

Employer Guide

How to complete the Assumed Pensionable Pay Calculator

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Contents

Introduction 3
APP Calculator – Overview 3
How to Complete the calculator 4

Introduction

This calculator is designed to assist you in the process of calculating the assumed pensionable pay (APP) based on feedback from employers. The aim of this tool is to make it easier for employers to calculate APP in line with the LGPS regulations, ensuring the accuracy of the information provided and a consistent approach.

APP Calculator – Overview

LPP
Local Pensions Partnership

APP Calculator (LGPS)

[CLEAR ALL DATA](#)

Member name
NINO
Pay Reference

Basic pay in 3 full months prior to reduction/no pay applying

Month 1	
Month 2	
Month 3	

Annual APP Figure 0.00

Plus any **REGULAR LUMP SUMS** in the full 12 months prior to the reduction/no pay applying (if applicable)

Month 1	
Month 2	
Month 3	
Month 4	
Month 5	
Month 6	
Month 7	
Month 8	
Month 9	
Month 10	
Month 11	
Month 12	

Plus Regular lump sums 0.00

Annual APP figure including regular lump sums 0.00

Monthly APP 0.00

Part month calc

Days Required	Pick from drop down
Days in month	Pick from drop down
Pro rata month - based on above	0

This figure can be used for calculating death benefits and also for calculating @health retirement enhancements.

Further guidance on APP is available in the employer section of the website
It is found under the LGPS Employer Guides section
The document is named Assumed Pensionable Pay - quick guide

The above is an overview of the calculator. There are basic member details fields available at the top, should you wish to use the calculator and send us a copy of your calculation.

How to Complete the calculator

Once you have identified when the member went on to reduced or no pay, you need to identify the full 3 months prior to this point.

Example if the member went on to reduced pay from 14/02/20, the 3 full months prior to this point are November 2019, December 2019 and January 2020.

LPP
APP Calculator (LGPS)

Local Pensions Partnership

Member name	Joe Bloggs
NINO	AB123456C
Pay Reference	987654TA1

Basic pay in 3 full months prior to reduction/no pay applying		
	Month 1	1500.00
	Month 2	1500.00
	Month 3	1500.00
	Annual APP Figure	18000.00
Plus any REGULAR LUMP SUMS in the full 12 months prior to the reduction/no pay applying (if applicable)	Plus Regular lump sums	0.00
	Annual APP figure including regular lump sums	18000.00
	Monthly APP	1500.00

Part month calc	
Days Required	Pick from drop down
Days in month	Pick from drop down
Pro rata month - based on above	0

Month 1	
Month 2	
Month 3	
Month 4	
Month 5	
Month 6	
Month 7	
Month 8	
Month 9	
Month 10	
Month 11	
Month 12	

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You need to input the **basic pay (salary)** amounts in the red boxes highlighted. DO NOT include any regular extras here, as this will result in the APP being calculated wrongly. Regular extras are accounted separately, and we will cover this later.

As you can see, based on the example above, the pay in November 2019, December 2019 and January 2019 was £1500 per month. Using this information, the calculator will work out the Annual APP amount and the monthly amount, in this case it is also £1500 per month.

If the member was paid **regular extras** in the 12 months prior to the reduction/no pay applying, these need to be recorded separately, as these should be included for the purposes of calculating APP. Regular extras tend to be payments for things like First Aid, Stand-by allowances, weekend and night duties etc.

LPP
APP Calculator (LGPS)

Member name Joe Bloggs

NINO AB123456C

Pay Reference 987654TA1

Basic pay in 3 full months prior to reduction/no pay applying

Month 1	1500.00
Month 2	1500.00
Month 3	1500.00

Annual APP Figure	18000.00
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Plus Regular lump sums	745.00
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Annual APP figure including regular lump sums	18745.00
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Monthly APP	1562.08
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Part month calc	
Days Required	Pick from drop down
Days in month	Pick from drop down
Pro rata month - based on above	0

Plus any **REGULAR LUMP SUMS** in the full 12 months prior to the reduction/no pay applying (if applicable)

Month 1	75.00
Month 2	75.00
Month 3	75.00
Month 4	75.00
Month 5	75.00
Month 6	75.00
Month 7	50.00
Month 8	50.00
Month 9	50.00
Month 10	50.00
Month 11	50.00
Month 12	45.00

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Using the example from earlier, this member's 12 months period prior to the reduction runs from February 2018 through to January 2019. The member was paid regular extras in each of those months, which need to be entered in the red boxes highlighted. The calculator will calculate the total amount input here and calculates a total for these on the right side of the calculator.

This is then added to the Annual APP figure calculated earlier and calculates an Annual Figure including the regular lump sums. This is then divided by 12, to get a monthly APP amount.

The calculator is also set-up to allow you to do part month calculations, where applicable. Continuing to use the example above, the member went on to reduced pay from the 15th February 2020. So, the APP applicable for February will only be for 15 days based on 15 days from 15th February 2020 to 29th February 2020.

This is calculated using the part month calculator function, at the bottom right hand side. This is based on a drop-down list, which allows you to pick how many days are required and the number of days in the month.

LPP
APP Calculator (LGPS)

Local Pensions Partnership

Member name	Joe Bloggs
NINO	AB123456C
Pay Reference	987654TA1

Basic pay in 3 full months prior to reduction/no pay applying	Month 1	1500.00
	Month 2	1500.00
	Month 3	1500.00
Annual APP Figure		18000.00
Plus any REGULAR LUMP SUMS in the full 12 months prior to the reduction/no pay applying (if applicable)		
Plus Regular lump sums		745.00
Annual APP figure including regular lump sums		18745.00
Monthly APP		1562.08

Month 1	75.00
Month 2	75.00
Month 3	75.00
Month 4	75.00
Month 5	75.00
Month 6	75.00
Month 7	50.00
Month 8	50.00
Month 9	50.00
Month 10	50.00
Month 11	50.00
Month 12	45.00

Part month calc	
Days Required	10
Days in month	29
Pro rata month - based on above	538.65

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See the red box highlighted above.

Using the example case here, the member’s CARE pay for pension purposes here is based on 2 parts. The first part is based on them receiving their normal rate of pay from 1st February 2020 – 14th February 2020 @ £1500 per month, which equates to £1500/29* 14 = £724.14 **PLUS** the second part based on the pro-rata APP we have calculated for the member, which applies from 15th February 2020 amounting to £538.65. Therefore, the CARE pay for February 2020 should be reported as £724.14 + £538.65 = £1262.79.

For convenience and ease of use, there is also a button to “clear all data” on the calculator. By using this, all the input fields, can be cleared in at the push of a button.