

Your pension and working part-time

This leaflet explains how your pension contributions and benefits are calculated if you work part time. For any period you work less than 37 hours, your pension contributions and benefits will be based on the part-time hours you work.

Please note this does not affect any contributions paid or benefits built up whilst working full time.



How are my pension contributions calculated?

They are calculated using the full-time equivalent pensionable salary but will be reduced for the hours you work. For example:

- You currently work full time (37 hours) and pay £50 per month
- You reduce your hours to 20 hours per week, your new monthly contribution is:
 $20/37 \times £50 = £27.03$ per month

The Company contribution is also reduced accordingly.

How will my pension be affected?

Defined Benefit (DB)/Hybrid members

Your DB pension is calculated by using the full-time equivalent pensionable salary and your pensionable service for any period of part time employment is reduced according to your part time hours.

For example:

Hours worked	Length of service	Actual salary	Salary used in DB pension calculation	Service used in DB pension calculation
37 hours (Full time)	10 years	£20,000	£20,000	10 years
20 hours (Part time)	10 years	£10,810	£20,000	5.41 years

In this example your pension would be based on 5.41 years rather than 10 years if you had stayed full time but your full time equivalent pensionable salary is used.

If, throughout your employment you change your part-time hours or move between working full-time and part-time, each of these periods of membership will be calculated separately and then added together to calculate your total pensionable service.

The total pensionable service will be what your pension benefits will be calculated on.

For example:

Hours worked	Length of service	Actual salary	Salary used in DB pension calculation	Service used in DB pension calculation
37 hours (Full time)	5 years	20,000	20,000	5 years
20 hours (Part time)	10 years	10,810	20,000	5.41 years
28 hours (Part time)	5 years	15,135	20,000	3.78 years
Total	20 years	-	-	14.19 years

*This example assumes your salary remains the same, for illustrative purposes.

Defined Contribution (DC) / DC top up members

DC contributions are calculated as a percentage of your actual salary. If you go part time the contribution is calculated as a percentage of your part time salary therefore less would go into your DC pot.

For example:

Hours worked	What you pay	What UU pay	Actual Salary/DC top up	Salary for DC pension calculation	Amount you pay into DC pot (pa)	Amount paid by UU (pa)	Total paid (pa)
37 hours (Full time)	7%	14%	£20,000	£20,000	£1,400	£2,800	£4,200
20 hours (Part time)	7%	14%	£10,810	£10,810	£756	£1,513	£2,269

If you wanted to pay in more than 7%, for example to continue to pay in what you are now, you could do so by paying an Additional Voluntary Contribution (however the Company would not pay in more than 14%).

For further information please contact the pension scheme administrators. Details can be found on the UU pensions website unitedutilities.com/pensions