

Using the average of any three consecutive years in the last ten as a Pension Remuneration figure

If a reduction in pay occurred before 01/04/08 the member should have had a certificate of protection under Regulation 23 of the 1997 Regulations, which allows final pay to be based on an average of any consecutive 3 years in the last 13, ending with the anniversary of the date of retirement.

If a reduction occurred on or after 01/04/08 Regulation 10 allows a member to choose to base final pay on an annual average of any consecutive 3 years ending within 10 years of the retirement date.

If a member had a reduction in pay on 01/05/08 and retired 31/01/09 they can choose any consecutive 3 years in the period 01/04/98-31/03/08. Although the 1st year starts more than 10 years before the leaving date, it ends within 10 years (31/03/99).

Unlike best of last 3 years comparison, the average pay figure does not have to be higher than the final year to count, because the effect of *pensions increase* may take it above the final year.

Example

Date of retirement: 30/09/2020

Reduction in pay: 01/05/2013

Pay figures (through doing multiple pension remuneration calculations)

Yr ending 30/09/20	£17250
Yr ending 31/03/20	£16920
31/03/19	£16020
31/03/18	£15300
31/03/17	£14760
31/03/16	£14247
31/03/15	£13746
31/03/14	£13260
31/03/13	£15981
31/03/12	£15183
31/03/11	£14418
31/03/10	£13890
31/03/09	£13290
31/03/08	£12750

None of the years up to 31/03/10 can be used, because they all end more than 10 years before retirement date. The first 3-year period that can be used is 01/04/10-31/03/13, because the first year ends within 10 years of retirement (30/09/20).

The table below shows the average of three consecutive years with a percentage increase used based on cumulative effect of inflation since the years in question. The PI referred to means *pension increase*, a table of the pension increases which need to be applied can be found at the bottom of this page.

Average 01/04/10-31/03/13	£15194	PI 16.32% =	£17674 (whole £s)
01/04/11-31/03/14	£14808	13.86% =	£16860
01/04/12-31/03/15	£14329	11.43% =	£15967
01/04/13-31/03/16	£ 13751	8.70% =	£14947
01/04/14-31/03/17	£14251	6.89% =	£15233
01/04/15-31/03/18	£14769	4.54% =	£15440
01/04/16-31/03/19	£15360	1.55% =	£15598
01/04/17-31/03/20	£16080	N/A	£16080

The best annual average is the period 01/04/10-31/13/13 which, with PI added, > the final year (£17250).

Pension Increase amounts at 02/02/2009

Date of increase	Increase (%)	PI Multiplier
12-Apr-99	30.6%	End year of 31/03/98
10-Apr-00	26.6%	End year of 31/03/99
09-Apr-01	25.2%	End year of 31/03/00
08-Apr-02	21.2%	End year of 31/03/01
07-Apr-03	19.2%	End year of 31/03/02
12-Apr-04	17.2%	End year of 31/03/03
11-Apr-05	14%	End year of 31/03/04
10-Apr-06	10.5%	End year of 31/03/05
09-Apr-07	7.6%	End year of 31/03/06
07-Apr-08	3.9%	End year of 31/03/07