MCR backdated pay awards quick guide

To complete a backdated pay award for MCR submissions you'll need to:

- Update the annual full-time salary field or the part-time earnings (if required)

- The calculation method for contributions requires a backdated pay indicator 'BK' for the update lines

- The actual pensionable pay for the update lines needs the amount the member's pay has been uplifted by.

Example

Megan has an increased full-time annual salary of 2% from £36,060 to £36,781.20. The increase was applicable for September and October. Her monthly salary was £3,005 and is now £3,065.10, a difference of £60.10. You need to include the £60.10 in her actual pensionable pay for the update lines for these two months.

Her contributions tier calculation is based on her actual pensionable pay for the 'Add' line. You'll need to multiply the monthly salary by 12 to get the annual salary, which will determine her correct contribution tier.

In this example the A line will be the November line, which is a monthly salary of £3,065.10. £3,065.10 x 12 = £36,781.20 which means Megan's contribution tier is 8.6%.

To calculate her contributions, you need to use the relevant contributions tier for the total of the three actual pensionable pay amounts.

September	£60.10
October	£60.10
November	£3,065.10
Total backdated pay	£3,185.30 x 8.6% = £273.94

In this example it would be the two backdated pay amounts for September and October, and the new November full monthly amount

Start Date	End Date	Withdrawal Confirmation	Days Excluded	Full-time/ Part-time Indicator	Annual Full-time Salary	Part-time Earnings	Overtime	Additional Pensionable Payments	Status Indicator	Calc Method for Contribution Tier	Contribution Calculation date	Actual Pensionable Pay in the Pay Period	Pensionable Overtime Paid in the Pay Period	Notional Pensionable Pay in the Pay Period	Employer Contributions	Member Contributions	Member Contribution Tier (%)
01092022	30092022			FT	36781.20					BK		60.10					
01102022	31102022			FT	36781.20					BK		60.10					
01112022	30112022			FT	36781.20							3065.10			754.28	273.94	8.6

If Megan was on a part-time irregular contract and had no actual pensionable pay in the pay period for November, then the two update lines (September and October) must be completed as When Earned 'WE' calculations. This will re-assess the entire period.