

Pay Protection Policy (reviewed 2011)

Purpose and Background

The Council first introduced a Pay Protection Policy in 2000 in advance of the introduction of Job Evaluation in 2001. The purpose of that policy was to provide a consistent and equitable approach to the protection of employees when there was detriment to their income from a change to the terms and conditions of their employment, including job grade. Income is defined as the hourly or annual rate of pay excluding allowances.

The original policy was drafted to allow protection of actual pay, frozen at a point in time, for an unlimited time until the pay within a lower pay band "caught up" with frozen pay. This arrangement appears very generous in today's financial climate and does not reflect the current mood of similar organisations to ourselves whose protection policies are normally now time-limited.

Accordingly, the Pay Protection Policy has been redrafted as follows.

Objectives

- To ensure that there is equity of treatment for all employees where there is detriment to an individuals' income.
- To define the criteria under which protection of income is appropriate.
- To define a procedure for protection of income where the criteria in this policy are met.

The Scheme

1. Criteria for Application of Pay Protection

1.1. Protection will normally be available when an individuals' income is changed detrimentally due to circumstances beyond their control. Examples of such circumstances are given below, however this is not an exhaustive list:

- Reviews leading to a restructuring where the individual has been unable to secure a post at an equivalent level.
- Regrading where the nature of the duties and responsibilities have changed in response to organisational requirements.
- Redeployment either within a Department or elsewhere in the Authority arising from a need to cease, reduce or alter the work that an employee has been carrying out.
- Implementation of a job evaluation scheme.

1.2. Employees in these circumstances will be expected to make every effort to avoid the need for protection, either by applying for posts in the Council's structures for which they are suitably qualified and experienced or by taking on new additional duties at a level appropriate to their existing grade, should the Council determine that there is such a need.

- 1.3 Protection will not normally be considered where employees are redeployed to lower graded posts due to issues of conduct. In these circumstances redeployment will normally be on the terms and conditions relevant to that post. The Capability Procedure covers occasions where redeployment is necessary due to issues of health or capability.

2. Scheme of Protection

- 2.1 All individuals who meet the stated criteria will have their income protected for a maximum period of two years. Once two years' protection has occurred, the employee will with immediate effect, be placed onto the top pay point within the established grade of the post to which they have been redeployed.
- 2.2 An effective date for the start of the protection will be determined as the date at which the duties of the new or re-graded post take effect. No increments or annual pay awards that would otherwise have applied to the employee in the higher-graded (protected grade) post will be made where the effective date is 1st April (or some other similar anniversary payment date).
- 2.3 Any other terms and conditions attaching to the original post which also change will not be protected under this policy.
- 2.4 Car allowance status will not be protected where an employee either moves post or the duties of the existing post are altered such that the need to periodically use a vehicle for business purposes reduces.

3. Pension Issues

- 3.1 One of the implications of protection is the effect on potential pension benefits when the individual retires. The current (at June 2011) Pension Regulations allow Scheme members, at the time of retirement, to elect to use for the purposes of calculation of pension benefits, the best level of earnings based on either:

- § any one of the last three years of membership: or
- § the annual average of any three consecutive years falling within the preceding 10 years.

4. Other Issues

- 4.1 All situations of protection are difficult for individuals in terms of their own standard of living, expectations and status. It is essential that they are dealt with sensitively by management; and counselling is offered by Personnel where required. Consideration should be given to options of redeployment, new additional duties etc where possible to avoid protection situations.