# **PAY PROTECTION POLICY**

Version 0.2

July 2015

Approved at JCNC 30th July 2015......

Approved at Council......

#### Introduction

This policy sets out the practice which applies in the Council which aims to support successful organisational change by providing for employees' contractual pay to be protected where it is reduced as a result of organisational restructuring.

The Council recognises the need to ensure that any pay protection arrangements do not perpetuate inequalities or result in unlawful discrimination in pay arrangements. The cost of protecting employees' basic pay will be met by the employing department and pay protection costs must be taken into account when the business case for change is made.

## Who is covered by the policy?

The policy applies to all Council employees.

Affected employees will receive written notification of pay protection arrangements applicable to them and the support available.

## What pay is protected?

The pay protected will be the employee's substantive pay rate which is the basic pay for the job as defined in the pay and grading structure and including any additional contractual payments, from the date of change of pay.

Pay protection will be for a maximum three year period from the date of change of pay.

Any sick pay, holiday pay, maternity, paternity or adoption pay will reflect the level of protected contractual pay. All protected pay is pensionable.

The following previous and existing components of pay are not protected:

- all pay-related enhancements e.g. overtime, public holiday working
- all non-pay-related allowances e.g. car allowances, subsistence
- allowances, annual leave
- any increase in minimum contractual hours introduced after the operative date of pay protection

#### Pay protection:

- will not apply where employees voluntarily move to another job
- will be adjusted where employees voluntarily reduce their hours
- will not increase to cover additional hours, whether these are permanent or ad hoc.
- will not be applied to non-contractual overtime

## What happens during the protection period?

#### During the protection period:

- there will be no annual incremental progression on the protected grade
- pay awards will not be applied until the substantive grade is equal to or greater than the protected salary.
- Protection may end or be reduced within the three year period where:
  - the employee is successful in securing another role which provides an enhanced career opportunity
  - o the new substantive grade catches up with the protected basic salary.
- Employees subject to pay protection will be given support by their line manager under the personal development review process and in addition receive:
  - support in accessing vacancies
  - application and interview training and support;
  - skills and development training
- Council will continue to look for suitable alternative employment during the pay protection period.

Employees have a shared responsibility in seeking redeployment and must adopt a reasonable and flexible approach when considering alternative roles.

# What happens at the end of the protection period?

At the end of the three year period, pay will be adjusted to nearest point of the substantive grade.

## What is the effect on pension benefits?

In certain circumstances it is possible to protect pension benefits where there has been a reduction in pensionable pay however employees must be aware that benefits can only be protected in accordance with the NILGOSC regulations in place and advice and guidance should be sought from the Human Resources Department in relation to this.

# **Review Period of Policy**

To be undertaken after 12 months after implementation