



# Pay Protection Policy

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## 1 Policy Statement

As part of the Council's/School's commitment, to assist employees when their pay has reduced, a transitional pay protection arrangement shall operate in certain situations. This Policy details the arrangements about pay protection. It includes the circumstances in which it is available and the levels of protection. Protection arrangements will be applied fairly and consistently across the Council.

## 2. Our Council Values

It is important that the Council manages individual and organisational performance. High levels of performance are at the heart of our values. This enables us to deliver excellent services.

Our Values are the things we most care about. In applying this policy and process, we must uphold our [PROUD Values](#). These define what we stand for as an organisation, how we work and act.

Under each Value is a set of guiding behaviours. These apply to every person who works for or represents South Tyneside Council. They are our promise to residents, each other and to all who interact with the Council.

Standards of performance relate to both what we do (actions or tasks) and how we do it (our behaviours). Behaviours matter because they determine how other people experience us.

Below are examples of behaviours we expect and those we do not want to see.

### Professional – we uphold high standards.

<b>We agree to:</b>	<b>We will not:</b>
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Welcome people and offer help.	Make people feel unwelcome.
Be accountable.	Blame others.
Accept and learn from feedback and mistakes.	Ignore feedback.
Manage our time and resources well.	Waste our time or resources.

**Respectful – we value people.**

<b>We agree to:</b>	<b>We will not:</b>
Be polite, considerate, and kind.	Be rude or unkind.
Listen to what matters to others.	Ignore what matters to others.
Notice and thank others for their efforts.	Take others for granted.
Treat sensitive information appropriately and with care.	Share sensitive information without good reason.

**Open and honest – we trust each other.**

<b>We agree to:</b>	<b>We will not:</b>
Share helpful information, ideas.	Hold back helpful information.
Work together to get great results.	Work in complete isolation.
Speak-up against behaviours we do not want to see.	Ignore behaviours we do not want to see.

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Use clear, jargon-free information where possible.	Make our information unclear.
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**Understanding and engaging – we care about people.**

<b>We agree to:</b>	<b>We will not:</b>
Accept and appreciate our similarities and differences.	Treat people unfairly.
Respect different needs and try to meet them.	Dismiss different needs.
Show we care and offer support.	Show a lack of care or support.
Work together through any challenge to get the right outcome.	Think we always know what is best.

**Deliver what we say we will - we provide great services.**

<b>We agree to:</b>	<b>We will not:</b>
Always do what we say we will do.	Let people down.
Look to improve what we do and how we do it.	Settle for doing what we have always done.
Reply in good time.	Ignore people or delay our reply without reason.
Keep you up to date with everything we do.	Leave people not knowing.

The behaviours listed are not a complete list of all possible behaviours. The behaviours “we agree to” are a guide to how we live our Values.

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### **3. Policy Scope and Application**

The pay protection arrangements detailed in this Policy apply to all Council employees, including school support staff where the Governing Board have adopted the policy. Protection for teaching staff will be as detailed in the School Teachers Pay and Conditions document. Protection arrangements could also apply to agency staff in certain circumstances, once the 12-week qualifying period has been reached.

Full details of how the Policy works along with any exceptions are detailed below. In summary the scheme allows: -

- pay protection for a period of 12 months. The first 6 months paid at 100% of the agreed amount and the remaining 6 months paid at 50% of the agreed amount.
- pay protection for reductions in band, contracted hours worked, and in the number of working weeks contracted for. Whichever protection is greater will apply, not all three, for example if an employee accepts a job with both a reduction in hours and a reduction in the band, their salary will be protected by the greater amount. Any protection applied cannot result in the employee receiving more than their original salary.

### **4. When Protection Applies**

Pay will only be protected in the following circumstances:

- an employee is subject to a service review and is not successful in obtaining a post at their current band but accepts a post within the new structure at a lower band;
- an employee is subject to a service review and is not successful in obtaining a post on their current hours or working weeks but accepts a post with reduced hours/working weeks within the new structure;
- as a result of redeployment, an employee accepts a post at a lower band, and/or with reduced hours or with a reduced number of working weeks. This could be due to redundancy, ill health or the end of a long term fixed term contract;
- the introduction of a revised pay and grading system
- an employee is subject to a service review and is successful in obtaining a post at their current band but at a lower spinal column point.

It does not apply when:

- an employee, who is not at risk, asks to work in a post which is paid on a lower band e.g. an employee no longer wishes to work in a senior role.
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- an employee moves to a lower graded post as a result of performance issues/disciplinary hearing outcome
- an employee returns to a lower graded post following a period of acting up/honoraria payments
- a market forces supplements has been applied for an agreed period and ends or is removed.
- an employee applies for flexible retirement, job share, v-time or a permanent change to their working arrangements.

## 5. How pay protection operates for reductions in bands

### 5.1 Amount of pay protection

5.1.1 The pay and grading structure consists of 9 bands and 2 senior management bands (SM1 and SM2). The bands vary in length, with band 6 containing the most spinal column points (scp). In most cases, the third scp for each band is used as a fixed salary point, except for band 6 - where 3 points in the band are used) (scp 22, 25 and 28). Employees on career grades will also start on the third scp and progression depends on competence or qualification. The amount payable as protection will be the difference between the employees substantive scp and the third point of the band immediately below their band. This will apply even if an employee has decreased by more than one pay band.

Old Band	New Band	Protection – payable 6 months at 100% followed by 6 months at 50% protection.
8 (scp 37)	7 (scp 31)	Difference between scp 37 and scp 31 divided by 12
9 (scp 42)	6 (scp 22)	Difference between scp 42 and scp 37 divided by 12

Where an individual is redeployed into a career graded post, their new band will be dependent upon their qualifications and experience, in line with the requirements of the career grade. Advice should be sought from the HR Service to decide if pay protection arrangements will apply.

Employees on pay protection will not be eligible for any pay increases (e.g. cost of living pay award) to their protected rate of pay.

Following an increase to the new scp the amount of protection payable will be recalculated taking into account the new rate of pay for their new role and their original rate of pay from their previous role. The re-calculation will be the difference between their new scp and their original scp. E.g. an employee is

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receiving pay protection of £100 per month. Their new basic rate of pay increases by £20 per month therefore their protection amount is reduced by £20 per month to £80.

5.1.2 Only basic pay will be protected. Other allowances, shift allowances, all inclusive grades, overtime (both contractual and non-contractual), differences in terms and conditions etc are not included. Allowances and rates will be paid at the new basic scp.

5.1.3 Protection arrangements for bands 6 and 7 are detailed below:

Employees in bands 6 and 7 shall have additional arrangements due to the larger span of these bands. Basic pay will be paid at the scp applicable to the new role and protection will be paid as an additional amount.

When employees are redeployed into a post in band 6 they will be placed on the appropriate salary for the post, as determined by job evaluation. They will not be protected at the top of the band.

- Band 7 to Band 6 – the maximum protection that will be offered is to scp 25. If an employee is redeployed into a post graded scp 22, they will be protected on the difference between scp 25 and their original scp in band 7. At the end of the protection period their salary will be on scp 22.
- Band 6 to Band 5 – the maximum protection that will be offered to an employee in band 6 on scp 28 or scp 25 who moves to band 5, is to scp 22. At the end of the protection period their salary will be on scp 12.

5.1.4 The amount of protection will be reduced if an employee voluntarily decides to work less hours. If an employee voluntarily increases their hours over and above their original hours in their previous role, protection will not be increased.

## 5.2 Duration

- The pay protection period will be for 12 months. The first 6 months is paid at 100% of the agreed amount, and the remaining 6 months at 50%.

If an employee on pay protection gets an increase in basic pay, such as an honorarium, the 12 months shall continue to run, and will stop at the previously agreed time. However, the protection payment will be suspended, or reduced, to take into account the amount of the honorarium.

Where an acting up (or other similar) arrangement ends within the 12-month period, only the remaining part of the 12-month protection shall be paid.

When the acting up arrangement goes beyond this 12-month period, the employee shall return to the new scp without any further protection, when it comes to an end.

For example:

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- An employee paid at band 8 is redeployed to a band 7 post. Two months after commencing the band 7 role the employee is offered a temporary role at band 8 for six months. At the end of the temporary role the employee would be 8 months into their pay protection period and would only be entitled to the remaining 4 months at 50% of the protected amount.

or

- An employee paid at band 5 is redeployed to a band 3 post. The individual would get pay protection from their scp in band 5 to the third scp in band 4 (scp 6) and their basic pay would reduce to scp 4 in band 3. If the individual accepts a temporary role at band 4 then protection would continue. If a temporary role is accepted at band 5, then pay protection would be suspended and would only re-start if the temporary role ended within the original 12-month protection period.

### 5.3 Band of post

For the purposes of determining the band/scp of the post an employee is moving from, only the basic pay band for the post will be relevant. This means that no other salary protection arrangements, honorarium payments, allowances, all-inclusive grades, bonus payments, overtime or other such terms and conditions will count.

Managers can ask those employees receiving pay protection to carry out appropriate additional duties, in line with the total remuneration being paid. Once an employee's pay protection period ends, managers should ensure that they are carrying out tasks appropriate to their rate of pay.

### 5.4 When Pay Protection Stops

Pay protection arrangements will come to an end if an employee voluntarily leaves the post, obtains a higher graded post or on the expiry of the 12 months protection period, whichever is sooner.

## 6. How pay protection operates for reductions in hours

Reductions in contracted hours will be protected up to a maximum of 20% of an employee's hours. This means that if an employee's hours are reduced by more than 20%, only 20% will be protected.

The amount payable as protection will be based on the difference in hours from the original post up to the maximum stated above. The protection period will be for 12 months. The first 6 months is paid at 100% of the agreed amount, and the remaining 6 months at 50%.

Example 1 (based on an annual salary of £20,000)

Hours of Old Post	37 hours per week	Salary £ 20,000
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Hours of New Post	25 hours per week	Salary £ 13,513
Max of Protection	20% of £20,000 = £4,000 pa = £333.33 pm	
First 6 months protection		£333.33 per month
Final 6 months protection		£166.65 per month

Example 2 (based on an annual salary of £20,000)

Hours of Old Post	32 hours per week	Salary £17,297
Hours of New Post	28 hours per week	Salary £15,135
Max of Protection	20% of 32 hours = 6.4 hours. Employee hours have reduced by 4 so 4 hours protection applies**	
First 6 months protection		£180.19 per month
Final 6 months protection		£90.10 per month

\*\* 4 hours x 52.143 (weeks in a year) = 208.57 hours lost per year

208.57 x £10.367 (hourly rate) = £2,162.25 salary lost per year (£180.17 pm)

Pay protection arrangements will come to an end if an employee voluntarily leaves the post, obtains a higher graded post, receives increased contractual hours or on the expiry of the 12 months protection period, whichever is sooner.

**7. How pay protection operates for reductions in working weeks**

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Reductions in the number of weeks worked in a year will be protected up to a maximum of 10. This means that if someone's working weeks are reduced by more than 10, only 10 will be protected.

The amount payable as protection will be based on the number of weeks that have been reduced. The protection period will be for 12 months. The first 6 months is paid at 100% of the agreed amount, and the remaining 6 months at 50%.

Example (based on an annual salary of £20,000)

Old Post	37 hours per week/52.143 weeks pa	Salary £20,000
New Post	37 hours per week/40 weeks pa	£15,342
Max of Protection	10 weeks x £383.56 (weeks' pay) = £3,835.60	
First 6 months protection	£3,835.60 / 12	£319.63 per month
Final 6 months protection	£3,835.60 / 12 / 2	£159.82 per month

Pay protection arrangements will come to an end if an employee voluntarily leaves the post, obtains a higher graded post, receives increased contractual hours or on the expiry of the 12 months protection period, whichever is sooner.

## 8. Redeployment Register

When an employee is on the Redeployment Register, their salary and employment remains unchanged. They remain the responsibility of the current employing Service. This is until a redeployment post has been accepted and the employee has successfully completed their trial period. Pay protection arrangements, if appropriate, start when their employment in the new role has been confirmed.

The cost of pay protection is the responsibility of the new employing service.

During the period of pay protection employees can request to remain on the redeployment register. Further details can be found in the [Redeployment Policy](#).

## 9. Effect on Pension

All benefits accrued in the LGPS for membership after 31 March 2014 are calculated under the rules of the Career Average Revalued Earnings (CARE) Scheme. If your pay is reduced in the CARE Scheme, then

the pension you earn will be reduced as CARE benefits are calculated on your actual pensionable pay each Scheme year (April to March).

Any benefits you have accrued in the LGPS before 1 April 2014 are calculated under the Final Salary Scheme. These benefits are based on your membership and final pay. Your final pay is normally the pay in respect of your final year of scheme membership on which you paid contributions, or one of the previous 2 years if this is higher. In addition, if your pay is reduced, or increases to your pay are restricted in your last 10 years of continuous employment, your benefits can be based on the average of any 3 consecutive years' pay in the last 13 years (ending on a 31 March) if this produces a higher final pay figure.

For further information please contact the Pensions Service on 0191 4244141 or visit the websites [Tyne & Wear Pensions Fund](#) [LGPS member site](#)

Employees are also able to register to view their own pension details on Pension Fund's online service [mypension](#)

## 10. Equality and Diversity Statement

South Tyneside Council and the Governing Board are committed to promoting equality and valuing diversity. An equality check was carried out in February 2024 and no equality implications were identified in this policy. South Tyneside Council is committed to promoting equality and valuing diversity.

Date approved:	April 2024
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Date Reviewed:	April 2025
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