

Defra Pay Policy

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1. Introduction and Scope

The Defra Pay Bargaining Unit (PBU) consists of Core Defra, APHA, VMD and RPA. This document sets out the Department’s pay policy and applies to Grade AA-6 of each organisation within the PBU (except project-based payments which also apply to SCS). This includes permanent staff, fixed-term appointments and short-term appointments.

Pay authority is delegated by the Cabinet Office to the PBU, which means that the PBU can decide its own pay strategy, rules and policies, providing they are within the annual Civil Service Pay Remit guidance and are agreed by the Cabinet Office.

2. Pay Reviews

Pay reviews are normally annual and must comply with the Civil Service Pay Remit guidance that is set out and published by Cabinet Office.

Defra’s pay settlement effective date is 1st July. This means that the outcomes of pay reviews are always backdated to 1st July. Pay awards are negotiated annually with the [recognised departmental trade unions](#) for all staff in the PBU. Details of annual pay reviews are published on the intranet.

3. Definition of Types of Pay

There are two “types of pay” used by the Department; consolidated and non-consolidated.

Consolidated Pay

“Consolidated pay” is the term used to refer to your salary. Your base pay is defined as your salary, excluding any allowances, and will be based on your pay range and pay area. Your base pay will be either on or between your relevant pay range minimum and maximum. Increases to your salary are, therefore, referred to as consolidated increases.

Non-Consolidated Pay

“Non-consolidated pay” is the term used to cover additional elements not covered by base pay. Non-consolidated pay is not always pensionable and is not carried forward for future years.

4. The Pay Structure

The Defra Pay Structure consists of nine pay ranges for staff from grades AA to Grade 6 (and their equivalent grades). Each pay range has a National (N) and a London (L) pay area.

5. London Pay

London pay currently applies to you if one of the sites below is your primary and expected office location:

- 2 Marsham Street, London
- Heathrow Airport
- Hanwell Depot
- New Spitalfields Market
- Weybridge - Woodham Lane

While there is no minimum attendance level for appointment to a London office, staff on the London pay range will be subject to the same office attendance expectations as those on the national pay range. It is for managers to ensure that the London office usage is legitimate and in line with business expectations. Where workplace adjustments have been agreed so that the employee is not required to meet the office attendance expectations, there will be no impact on London pay.

Contractual homeworkers would not usually be eligible for London pay, unless they have a role which requires them to visit/inspect sites and premises within the

official [London Boroughs](#). Living in London alone does not mean you qualify for a London pay range.

6. Performance and Recognition

Defra uses in year non-consolidated payments to reward high performance. Non-consolidated performance payments are one-off payments, do not count towards pension and do not increase base pay. Performance is recognised through existing recognition frameworks using non-cash vouchers or cash payments.

- For further information see [Continuous Recognition Policy](#).
 - For awards, [access STaR](#).
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7. TUPE/CoSOP

Under TUPE/CoSOP arrangements, you may be entitled to protected terms and conditions. These are a recognised entitlement to terms and conditions that are no longer in operation and will be managed on a case-by-case basis. Moving to another role, other than the one covered by the protected terms, will see the removal of such protection.

8. Allowances

You may be entitled to receive certain allowances depending on the type of work you do and the post you occupy.

Further details can be found in the [Allowances Policy](#).

9. Payroll Arrangements

9.1 Payment of Salaries

You will be paid one month in arrears to your bank or building society account, on the last working day of the month. You will receive one month of your contractual salary and any additional allowances and out of hours payments if applicable.

- It is your responsibility to ensure that your accurate bank details are recorded on [SOP](#).
- See [myHub](#) for the monthly payroll cut-off dates

There are a number of deductions Defra are required to make prior to paying salaries. These include tax, National Insurance contributions, and if applicable any Court Orders.

You may authorise additional deductions from your salary for direct payment to organisations such as the Civil Service Sports Council, the Charity for Civil Servants or other charitable organisations via “Give as You Earn”. Most deductions/subscriptions can also be made via direct debit payments.

9.2 Part-Time Salary Calculation

A part-time salary is calculated by dividing the annual salary by the weekly full-time hours and then multiplying by the weekly part-time hours.

In the example below, the full-time equivalent salary is £25,000 for 37 hours per week. The part-time employee is working 30 hours per week.

$$25000/37 \times 30 = 20270$$

$$\text{Part-time salary} = \text{£}20,270$$

9.3 Pay on Joining or Leaving the Department

Information on pay when joining the Department can be found in the [Pay on Appointment Policy](#).

When your employment begins or ends, the first or last payment due is calculated by dividing the monthly rate of pay by the number of calendar days in the month and then multiplying by the number of days’ service in that month (including weekends), i.e.:

$$(\text{Salary}/12) \times (\text{Days worked}/\text{days in month})$$

$$(\text{£}24,000/12) \times (10/30)$$

$$\text{£}2000 \times 0.33$$

$$\text{Part month salary} = \text{£}666.66$$

When you are leaving the Department, it is your responsibility to ensure that SSCL know your intended leaving date ahead of [payroll cut-off](#). This will allow for your last month’s pay to be correctly calculated.

Your last month’s pay will be paid direct to your bank or building society account on the next payment run after you leave. Your P45 will be sent to your last known address. It is your responsibility to ensure that your details are up to date in SOP.

Your annual leave entitlement is calculated by dividing the number of days between your leave renewal date and your leaving date by 365 and multiplying by your annual leave entitlement e.g. 30 days.

Your final pay will be reduced if you have already taken more than your annual leave entitlement, or increased if you have untaken annual leave. This is the only

scenario in which the employee can be paid for their annual leave allowance. The calculation is as follows:

- Salary / 261 x untaken days

If you are transferring to another Government Department or Agency (OGD), every effort should be made to use any outstanding annual leave before you transfer and to ensure that your flexi balance is zero. If this is not possible, you may be able to transfer your leave to your new Department and you should discuss this with them in advance. In exceptional circumstances, where it has not been possible for you to take your leave due to business reasons, your line manager may be able to request that this is paid. Guidance is available on [MyHub](#).

9.4 Pay Advice (Payslip)

You will receive an electronic personal payslip every month via the iPayview service. This will include details of payments, deductions, and year to date figures. Further information concerning your payslip can be found on the [intranet](#). Within your first month, SSCL will contact you providing details on the registration process and the information you will need to complete it. As an employee, it is your responsibility to ensure that you check your payslip each month to ensure that you are receiving the correct pay and benefits. You should [contact SSCL](#) with any anomalies as a matter of urgency.

9.5 Pay Queries

[Payslip Information for New Joiners](#) contains contact information for pay-related queries. If you need to contact [HMRC](#), you may need the below tax reference numbers:

- Defra - 948/TZ03485
- APHA - 948/FZ11023
- RPA - 948/B300

9.6 Overpayments

Every effort is made to ensure we calculate your pay and any additional payments for your current role accurately. However, overpayments can sometimes occur. If you identify an overpayment, you should contact SSCL. Further information can be found in the [Overpayments Policy](#).

9.7 Salary Advances

A salary advance is available for specific events or reason at Defra's discretion. SSCL carry out random checks to ensure advances have been used for the purpose for which they were intended. A condition of granting an advance is that

the advance is used for the intended purpose and any validity checks are complied with promptly.

Advances are available for permanent and fixed-term employees for the following when commuting between home and office:

- Season tickets for either public transport or car parks (not including central London car parks) – see [application process](#)
- Purchase of bicycles and essential bicycle equipment up to £1000, providing you are not already part of the cycle to work (salary sacrifice) scheme – further information can be found on the [intranet](#)

9.8 Emergency Payments of Salary

In some circumstances emergency payments of salary can be made. Further information can be found in the [Emergency Payments Policy](#).

10. Pay on Promotion

For the purposes of pay, promotion is when you are permanently appointed to a post in a higher grade.

The standard promotion calculation is to increase the base pay either to the minimum of the new pay range or by 10%, whichever is higher.

If, when promoted, you also transfer to a different pay area, the Standard Promotion Calculation will be undertaken first, followed by a position in range calculation to establish the new salary based on the new pay range.

If you are in receipt of any allowances, they may be retained, lost or converted to mark-time, depending on the circumstances of your promotion and the post to which you are moving. To ensure you understand this, please read the [Allowances Policy](#).

10.1 Temporary Additional Responsibility Allowance (TARA)

The TARA allowance is calculated using the Standard Promotion Calculation, i.e. either 10% of current basic pay, or the difference between current basic pay and the higher grade minimum (whichever is greater). The allowance and salary combined cannot exceed the pay range maximum of the higher grade and will equal the salary you would have received if you were substantively promoted.

You should ensure that you understand the implications of the TARA calculation on any allowances that you are receiving in your substantive grade.

If you are substantively promoted or move to a different role, the TARA will cease.

See our [TARA Policy](#) for more information.

11. Mark Time

Mark-time is a mechanism by which your total pay may be protected and maintained at a certain level.

For further information and an example, see [Pay on Appointment Policy](#).

12. Reappointment

If you leave the Civil Service, you may, at a later date and at the discretion of the department, be reinstated (to the same or equivalent grade) or re-employed (in a lower grade). The effect of both reinstatement and re-employment on your salary can be seen below.

12.1 Reinstatement

If you are reinstated, your salary on return is calculated based on the Five-Year Rule and may be more than the pay range minimum. The paragraphs below set this out in more detail.

If you are reinstated within five years of leaving the following will apply:

When using open pay range your salary will be tracked for the years since your departure applying historical pay increases. The salary will be amended as per pay reviews an individual would have received had they remained in service.

For reinstatement after more than five years' absence:

The above rules will be applied for the five pay awards immediately after your departure. Where there is no data available on revalorisation or Basic Awards, an assumed 2% increase will be applied for that year. Where this calculation would place your salary below the minimum of your pay range, your salary will become the minimum value.

12.2 Re-employment

If you are re-employed into a lower grade, your previous service may be taken into account when setting your starting salary.

12.3 Reappointment of Pensioners

If you are reappointed after having retired and taken your pension, it is your responsibility to ensure that you fully understand the impact that re-appointment may have on your pension. You may find that your pension will be abated.

Abatement occurs when your new salary (on re-appointment) plus the pension allowance that you are receiving exceeds your salary at retirement. Where this does happen, your pension payments will be abated (i.e. reduced) by the amount by which your final salary has been exceeded. The simple examples below illustrate this.

Example 1 – pension abated

Re-employed salary: £18,000 per annum

Pension allowance: £10,000 per annum

Salary plus pension allowance: £28,000 per annum

Final salary on retirement: £25,000 per annum

In this example, your pension would be abated by £3,000 for the period of your re-appointment so that the total of your salary plus pension was reduced to £25,000.

Example 2 – no abatement of pension

Re-employed salary: £11,000 per annum

Pension allowance: £8,000 per annum

Salary plus pension allowance: £19,000 per annum

Final salary on retirement: £20,000 per annum

In this example, your pension would not need to be abated unless your salary or pension increased to take the total over your final salary on retirement.

Each pension scheme has a slightly different way of calculating the abatement depending on the pension lump sum having already been taken therefore, If, you want to find out more about the effect of re-appointment on your pension, you should contact SSCL or your pension administrator.

13. Out of Hours

For details concerning arrangements for staff working outside of normal hours, including overtime, refer to the [Out of Hours Policy](#).

14. Project-Based Payments

Project-based payments (PBPs) apply to both roles and individuals critical to delivery of a project. PBPs can be paid to AA-G6 and the SCS and will be considered alongside any allowances the employee is eligible for. An employee

cannot receive both a PBP and an allowance for the same capabilities, skills or work.

14.1 Governance and Funding

The Executive Committee will agree the top projects or programmes to which PBPs may be applied. This will be reviewed annually or in line with shifting Departmental priorities.

Process and governance for PBPs will be through a business case agreed by the Senior Responsible Officer (SRO) and Director General (DG). All business cases should be discussed with the relevant HR Business Partner for their input, in particular to consider fit against criteria. The business case should then be submitted to the Defra HR Reward Team to assess overall affordability.

Where total costs of nominations are above spending limits, the Reward Team will collate the requests and submit to Defra's Remuneration Committee to decide which nominations to approve.

14.2 Eligibility Criteria

The business case must meet the following qualifying criteria:

1. The role is critical to the delivery of the Department's top projects and programmes as agreed by Executive Committee.
2. There is potential for a disproportionately significant impact on the project or programme if the role becomes vacant.

15. Downgrading

This section outlines the policy for all staff who are downgrading by at least one grade, including those doing so as a means of reducing their salary in order to qualify for partial retirement.

15.1 Downgrading after Recent Promotion

If you return to a lower grade before any annual pay review in the higher grade, your salary will revert to your previous salary in the lower grade.

15.2 Standard Downgrading Rules

If you downgrade after at least one pay review in the higher grade your salary in the lower grade will be set using one of the following two calculations:

1. Staff who were at the lower grade within the last 3 years (i.e. have received no more than 3 pay reviews in the higher grade):

- Your salary will be calculated by applying the pay reviews since promotion to the salary previously held in the lower grade.
2. Staff who were at the lower grade more than 3 years ago (i.e. have received more than 3 pay reviews in the higher grade), or who have not previously been at the lower grade:
- Your position in your current pay range at the higher grade will be applied to the same position in the new pay range at the lower grade as follows:
 - 1) $(\text{Existing salary} - \text{existing grade min.}) \div (\text{existing grade max.} - \text{existing grade min.}) = A$
 - 2) $(\text{New grade max.} - \text{new grade min.}) \times A = B$
 - 3) $\text{New grade min.} + B = \text{New salary}$

Example

Person Z is on HEO national salary of £33,500 and is voluntarily downgrading to EO national.

- 1) $\text{£33,500 (Z's existing salary)} - \text{£32,136 (HEO national min.)} = \text{£1,364}$
 $\text{HEO national max. (£34,546)} - \text{HEO national min. (£32,136)} = \text{£2,410}$
 $\text{£1,364} \div \text{£2,410} = 0.5660$

This means that person Z is 56.60% along the HEO national pay scale.

- 2) $\text{EO national max. (£28,606)} - \text{EO national min. (£27,470)} = \text{£1,136}$
 $56.60\% \text{ of the EO national pay range (£1,136)} = \text{£642} = B$
- 3) $\text{EO national min. (£27,470)} + B (\text{£642}) = \text{£28,112}$
 £28,112 is Person Z's new EO national salary on downgrade.

15.3 Exceptional Downgrading Rules

Where you are downgrading for either of the reasons listed below, your existing pay will be retained on an erodible mark-time basis:

- 1) As an alternative to redundancy, specifically and only when taken during the formal consultation period leading up to compulsory redundancy.
- 2) As a result of disability or health considerations that make continuing in the higher grade unsafe or impracticable.

If you downgrade by more than one grade for any of the exceptional downgrading reasons above you will retain your existing pay on an erodible mark-time basis for a period of no more than three years, after which any mark-time pay will be reduced and limited to the maximum of the grade above that to which you have downgraded.

- See [Pay on Appointment Policy](#) about how mark-time pay works.

For example, if you were to downgrade on an exceptional basis from HEO to AO, you would have your salary recalculated as per the standard downgrading rules and receive a mark-time allowance to make up the difference between your new AO salary and your previous HEO salary. After three years in the lower grade, your mark-time allowance would be reduced, to make up the difference between your existing AO salary and the maximum of the EO pay range.

It is the line manager's responsibility to ensure that the mark-time allowance is adjusted in these circumstances by notifying SSCL of the change.

15.4 Downgrading and Partial Retirement

It is possible to downgrade as a result of having successfully applied for partial retirement. In this case your salary will be calculated as per the standard downgrading rules.

However, if you have previously downgraded to avoid redundancy and are receiving a mark-time allowance because of the exceptional downgrading rules, you will lose any rights to that mark-time allowance and will have your lower grade salary recalculated as per the standard downgrading rules. If this does not reduce your salary by at least the requisite 20%, you will be required to apply to reshape your post to reduce your hours to make up the required reduction. This requirement to recalculate the downgraded pay has no time limit.
