

## Pay

### Introduction

Responsibility for Senior Civil Service pay and (except in respect of service overseas) allowances is not delegated to departments, although they have discretion within the broad framework laid down by the Cabinet Office.

Pay arrangements for those who are not members of the Senior Civil Service are determined by the Treasury under the authority delegated to it by the Minister for the Civil Service on 1 April 1996.

### Payment of salary

Where a full month has been worked, one twelfth of annual salary will be paid on the last working day of each month, unless arrangements have been made for earlier payment. Weekends, public and privilege holidays are not regarded as working days for this purpose.

Where pay has to be calculated for less than a complete month, payment will be equal to:

$\frac{\text{No. of days for which pay is due}}{\text{Number of days in the month}} \times \frac{\text{annual salary}}{12}$
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So, for example, someone who joins the department full time on a salary of £24,000 on 15 September will receive gross pay of  $(15/30) \times (24,000/12) = £1,000$  at the end of September.

### Overpayments of salary and allowances

Except in exceptional circumstances, the Treasury will recover all overpayments of salary and allowances. Finance (Pay) will inform individuals as soon as an overpayment of salary is discovered and will agree with them a schedule of repayment. As a general rule, repayments will normally be deducted from salary in equal monthly amounts over a period of time equal to that during which salary and allowances have been overpaid i.e. if someone has been over paid for six months, repayments will be deducted from the first six month's salary after the overpayment is discovered.

Individuals must inform HR Central Services immediately if they suspect that their salary is incorrect.

## **Pay ranges**

Details of the Senior Civil Service pay ranges, and the means by which posts are allocated to a range, are set out in SCS Pay Ranges. Information on pay ranges below the Senior Civil Service is set out at Pay Ranges Below SCS.

Minima and maxima of pay ranges

The minima and maxima of each pay range are set out in the Pay Range Points document.

## **Pay of part-timers**

The basic rate of pay of people who work part time is calculated as the salary they would be due if they worked full time, divided by 36 and multiplied by the actual hours they work. People who work part-time are paid for net hours, i.e. they do not get paid for lunch breaks.

### **Starting pay on entry to a pay range**

## **Recruitment**

People recruited to the Treasury from outside the Civil Service will enter at the minimum of the pay range to which they are recruited, except where HR decide that their previous experience merits a higher starting salary.

People recruited to the Treasury from another Civil Service department on level transfer, either permanently or on loan, will normally enter at their current rate of pay, including any allowances not specifically related to their previous post. If any allowances are retained on joining the department, these will be treated under the Treasury's terms and conditions. If the individual's current salary, including any retained allowances, is below the minimum of the Treasury pay range to which they are recruited, they will join on the minimum. If the individual's salary is above the range maximum then any future pay awards maybe non-consolidated.

## **Promotion**

Salary on promotion will be calculated as follows:

- people promoted to Range H will receive whichever is the greater of their current salary plus 10%, or the Range H minimum;
- people promoted to Range G will receive whichever is the greater of their current salary (less any entitlement to London Weighting) plus 10%, or the Range G minimum;
- people promoted to Range F will receive whichever is the greater of their current salary (excluding any entitlement to London Weighting) plus 10% plus any entitlement to London Weighting, or the Range F minimum;
- people promoted to Ranges B to E will receive whichever is the greater of their current salary plus 10%, or their new pay range minimum.

People on mark time pay will have their promotion increase based on the maximum of the range from which they have been promoted, not their mark time salary.

## **Re-appointment**

Pay on re-appointment will be set by HR, taking into account:

- salary and performance markings before departure. In practice, this will normally mean a salary equal to pay on leaving, plus the performance pay increases, based on the latest available performance mark, that the person would have earned had they been in continuous employment with the Treasury;
- the current minimum and maximum of the pay range to which the person is to be reappointed; and
- where appropriate, experience and qualifications gained since leaving the department.

## **Reversion from a higher pay range**

Subject to the paragraph below, the salary of those who revert from a higher pay range will be equal to the greater of:

- their final salary in the higher range, less the percentage by which their pay was increased when they began to occupy a post in that range (or, if they were recruited directly to the higher range, final salary less the current promotion increase). For example, if the promotion increase is 10%, salary in the lower range will be equal to final salary in the higher range divided by 1.10; or
- their final salary in the lower range, increased for each settlement by the increase payable for their last box marking in the lower range.

Salary on reversion will not normally exceed the pay band maximum of the lower range. If salary as calculated under paragraph above exceeds the lower pay band maximum, HR may, exceptionally, allow an individual to remain at that salary level as a personal maximum on a mark time basis. This means that salary will not increase until either the pay band maximum plus any accrued performance pay catches up with current salary, or until the maximum itself is raised above that limit. People on mark time remain eligible for non-consolidated bonuses.

## **Increases in pay**

### **Senior Civil Service**

Subject to whatever framework the Government agrees for pay increases for the Senior Civil Service, increases in salary will mainly be determined on the basis of performance using a merit grid approach (i.e. linking total pay, not just increases, to performance).

TB will determine a total budget for pay increases and a pattern of shares for different combinations of salary and performance marks, subject to certain principles laid down by the Cabinet Office and set out in Chapter 7 of the Civil Service Management Code.

## **Ranges B to E**

The Treasury has delegated authority to determine the pay arrangements for Ranges B to E. In determining the amount and distribution of resources for pay increases each year, the Treasury will take into account:

- what it can afford to pay in total;
- the need to move people up the pay range quickly so that total pay is better linked to performance;
- the need to differentiate between different levels of performance in allocating increases;
- the role of pay as one of the measures for recruiting, retaining and motivating people, bearing in mind such evidence that management may have about the labour market for people doing similar jobs to those done in the Treasury.

Details of the annual settlement will be published in an Office Notice. To be eligible for any relevant pay award or non consolidated award, staff have to be employed by the Treasury on the effective date, which will be detailed in the Office Notice (for example 1 August in 2005).

### **People on paid special leave**

Increases for people on paid special leave will be based on any performance mark awarded during the reporting period. The Office Notice detailing will detail the arrangements for those who have not been in post long enough during the year to receive an appraisal.

### **People on unpaid special leave**

People on unpaid special leave will be given a notional increase for every settlement date that they would have been entitled to an increase if they were working in the Treasury. This will be based on any performance mark awarded during the reporting period. If they have not been in post long enough during the year to receive an appraisal, the increase will be based on their last mark before they went on leave (if this was awarded in the same range), although they will not be eligible for a bonus payment unless the mark was awarded in the current reporting year.

### **Special bonuses and special pay increases**

The Treasury will also operate a scheme to award non-consolidated special bonuses in recognition of work beyond what could normally be required in a post and reflected in performance appraisal.

In addition, the Treasury may award consolidated special pay increases for reasons of:

- marketability;
- aspects of a post which make it exceptionally difficult or hard to fill; or
- where there is a clear mismatch between salary and the demands of a particular post.

## **People on loan or secondment**

People on loan to the Treasury will normally be appraised and paid in accordance with Treasury systems. These arrangements, and the arrangements for transition between departmental systems at the start and end of the loan, will be set out in a loan agreement.

People on loan from the Treasury will normally be appraised and paid in accordance with their host department's systems. These arrangements, and the arrangements for transition between departmental systems at the start and end of the loan, will be set out in a loan agreement. Following a period of loan out, individuals will normally rejoin the Treasury at the salary they were receiving at the end of their loan, unless they were on temporary promotion with their host department in which case their salary will be recalculated in accordance with reversions from a higher pay range paragraph above. When salary on return to the Treasury is higher than the range maximum, they will continue to receive that salary on a mark-time basis.

People on secondment to another organisation will either:

- remain on the Treasury payroll, usually at their existing salary, with the host organisation reimbursing the department. In these cases, individuals will continue to be appraised and paid in accordance with Treasury systems; or
- if all parties agree, be granted unpaid special leave for the duration of their secondment (people in this situation should contact their HR Business Partner to discuss pension arrangements whilst on unpaid leave). In these cases, the individual will be appraised and paid according to the host organisation's systems. If box markings received under the host organisation's appraisal system can be converted into the Treasury's system, individuals will return to the Treasury on the same salary that they would have received if they had not left the department. If box markings received from the host organisation cannot be converted, pay on return to the Treasury will be equal to final salary before going on secondment, increased for each settlement by the increase payable (excluding non consolidated bonuses) for the last box marking before unpaid leave.

## **Allowances**

Details of the allowances payable in addition to basic pay are set out in the Overtime & Allowances.

## **Overtime**

People who work in excess of their conditioned hours may, at their line manager's discretion, be allowed time off in lieu of the excess hours worked.

Where flexi time or time off in lieu are not claimed, the Treasury will, on the authorisation of line managers, pay overtime to people in Ranges B to D for hours worked in excess of conditioned hours. People in Range E will be entitled to long hours payment where hours worked in a consecutive four-week period exceed

conditioned hours by more than 14 hours. Full details of these payments are given in the section on Overtime, weekend, privilege, public and bank holiday working.

### **Allowances for service overseas**

Responsibility for allowances for service overseas is split between HR and Finance. Details of the allowances for which HR is responsible are set out in Allowances for Service Overseas. Information on the allowances for which Finance is responsible is available on the Finance Website.

### **Travelling time**

The detailed rules on payment for travelling time are given at this link. Full guidance for travel and subsistence is available on the Finance website.

### **Advances of Salary**

Advances of salary may be made for:

- assistance with home to office travel e.g. season ticket or bicycle purchase;
- pay advances on joining the department assessed on an individual basis.

The terms and conditions applying to these advances are set out in the Advances of Salary link and forms are available on the NetOasis Forms and Applications page. People on casual contracts are not entitled to advances of salary.

### **Voluntary deductions and recoveries from salary**

Individuals may choose to make voluntary deductions from salary for periodic payments to organisations with which the Treasury has arrangements for the collection and remittance of such payments. Deductions can be made for payroll giving, payments to benevolent organisations, subscriptions to departmental sports associations and to the Trade Unions authorised by the Cabinet Office.

In the event of industrial action, the Treasury may withdraw, in whole or in part, the facility to make deductions in respect of deductions to any union with members involved in the industrial action. Where an individual participates in industrial action, a recovery of salary, based on the calculation set out in payment of salary paragraph at the beginning of the section, will be made.