

AfC PAY AWARD & PENSION BAND REVIEW 2019/2020 How will it be implemented?

1. Am I due to receive a Pay Award?

The Department of Health has advised HSC employers to implement a pay award for all staff within the HSC employed on Agenda for Change Terms and Conditions.

The pay award does not apply to staff on Medical & Dental or Senior Executive Terms and Conditions or staff on Northern Ireland Civil Service Terms and Conditions.

2. When is the Pay Award effective from?

The Pay Award is effective from 1 April 2019 and will retrospectively be applied to this date.

3. When will I receive payment of this award?

The pay award sets out new rates of pay for staff and will be paid to staff in March 2020.

Pay dates for staff are:

| | |
|------------------------|--|
| Weekly Paid Staff | 19 March 2020 |
| Fortnightly Paid Staff | Fortnight 1: 19 March 2020 Fortnight 2: 26 March 2020 |
| Monthly Paid Staff | 27 March 2020 |

4. Does this mean I will be paid arrears?

Staff will be paid any arrears owing to them after deductions (pension, tax, national insurance and student loans) are deducted, dating back to 1 April 2019, in March 2020 along with the new salary. Please note that a pension band review, to ensure the correct % of pension contributions has been deducted, will be implemented in March 2020. This may have an impact on the net arrears due to you. For more detail on this, please see questions 8 – 17 below

5. What pay award has been made?

The pay bands and pay points for HSC staff from 1 April 2019 are included in Appendix 1 below.

This pay award includes a non-consolidated award for staff on the top point of the scale in their pay band as at 31 March 2019. Questions 25 to 31 explain what this is and how it will be paid.

6. How are the new rates of pay applied to my pay?

The BSO Payroll Service Centre will review and update your basic pay. Your basic pay is determined by your band and point of scale.

The pay scales for the 19/20 year were issued in February 2020 following the pay agreement in January 2020. Therefore from April 2019 to date, staff who changed pay band in the same or another HSC Organisation between April 2019 and March 2020 had their point on scale in their new band determined using the 18/19 pay scales. With the introduction of the new pay scales, points on scale have now been re-calculated using the 19/20 pay scales. As a consequence the point of scale will have changed for some staff who moved pay band during the 19/20 year, the point on scale will reflect the number of years' experience you have at the higher band.

This change of point on scale will still mean that all staff receive a pay uplift and suffer no financial detriment

7. Does the Pay Award have any effect on my enhancements?

When applying the pay award the BSO Payroll Service Centre will recalculate any enhancements paid to you from the 1 April 2019 and apply the new rates of pay.

Your enhancements include, but are not limited to, Saturday & Sunday enhancements, unsocial hours and bank holidays.. These amounts will be included in the arrears calculated.

The on-call availability allowance and sleep in rate will not be uplifted in March 2020. Any monies due to staff as a result of an uplift in these rates will be paid as soon as possible and backdated to April 2019.

8. How does the Pay Award affect my pension?

The cost of providing the HSC Pension Scheme is shared between employers and scheme members.

If you are a scheme member, you pay a contribution towards your pension based upon your total pensionable earnings, the more you earn, the higher your contribution rate may be. Your employer pays the rest.

Therefore when you have a change to your pay, such as the 2019/20 Pay Award, an assessment must be done to ensure you are paying the correct pension contributions as determined by the scheme regulations.

9. How can I be sure I am paying the correct pension contributions?

With the implementation of the Pay Award, the BSO Payroll Service Centre will also undertake an assessment of your revised total pensionable earnings to ensure you are paying the correct pension contributions. This assessment is called a Pension Band Review.

10. How are my total pensionable earnings calculated?

Your total Pensionable Earnings will be calculated as follows:

$$\begin{aligned} & \text{New Basic Pay} \\ & + \text{Prior Year's pensionable Enhancements} \\ & \quad - \text{Salary Sacrifices} \\ & = \text{Pensionable Earnings} \end{aligned}$$

11. What enhancements are considered?

Please note, when enhancements are pensionable, we will use your enhancements from last year i.e. 2018 / 19 to calculate your total pensionable earnings.

These enhancements include for example,

- Unsocial hours Saturday and Sunday
- Unsocial Hours, Monday to Friday
- Bank Holidays

Please note that not all payment types are pensionable and therefore these will not form part of your pensionable pay, e.g. overtime payments.

12. What if I have a salary sacrifice in place?

If you have or have had an active salary sacrifice (e.g. Childcare vouchers or Cycle-to-work scheme) from 1 April 2019, this will impact on your total pensionable earnings. The salary sacrifice is deducted from your salary thus reducing your total pensionable earnings.

13. What are the HSC Pension contribution rates?

There are several rates of member contribution, which are set against nationally agreed full time pay rates. Scheme member's contribution tier is determined by full time value of your basic pay at 1st April plus pensionable enhancements earned in the previous financial year less your salary sacrifices (if any).

Pension contributions are taken from your pay before tax so you receive tax relief on any amount you pay.

The contribution rates are set out in the following table:

| Tier | Full time pensionable pay used to determine contribution rate | Contribution rate (before tax relief) (gross) with effect from 1 April 2015 |
|------|---|---|
| 1 | Up to £15,431.99 | 5% |
| 2 | £15,432.00 to £21,477.99 | 5.6% |
| 3 | £21,478.00 to £26,823.99 | 7.1% |
| 4 | £26,824.00 to £47,845.99 | 9.3% |
| 5 | £47,846.00 to £70,630.99 | 12.5% |
| 6 | £70,631.00 to £111,376.99 | 13.5% |
| 7 | £111,377.00 and over | 14.5% |

14. Does the Pay Award mean I will now be paying a higher pension contribution rate?

It depends on your level of pensionable earnings; therefore, each individual will be reviewed. It is projected that most staff will continue to pay the same contribution rate.

There will however be staff who will have a level of pensionable earnings which moves them to a higher contribution tier e.g. a staff member paying 5.6% before the

pay award may now have pensionable earnings which takes them to a 7.1% contribution rate.

15. If the Pension Band Review determines that I have to pay a higher pension contribution rate when will this be effective from?

The 2019/2020 pay award is effective from 1 April 2019. Therefore, your pension contributions must be assessed for the whole of 2019/2020. The pension band review will be done at the same time as the pay award is implemented i.e. March 2020 effective back to 1 April 2019.

If you have to pay a higher contribution rate this will be calculated in March 2020. You will therefore owe any underpaid contributions from 1 April 2019

In March 2020 the BSO Payroll Service Centre will offset any pay award arrears owing to you against any underpaid pension contributions you may owe.

Pay Award Arrears owed to you – Underpaid pension contributions

16. What happens if the amount of arrears owed to me is less than the pension contributions I owe?

It is anticipated that most staff affected by the pension band review will not owe monies in excess of arrears owed to them. However, it is expected that a small number of staff will not have sufficient arrears from the pay award to cover their underpaid pension contributions.

If you find you are affected in this way, you will automatically be provided with a salary advance from your employer to offset this. A salary advance means that you will receive monies to cover what is owed by you and which can be repaid by you over a planned period of time rather than in one lump sum.

You will not have to ask or apply for this. Individual arrangements will be communicated to you separately. It has been agreed with the Department of Health that advances will be available to affected staff for up to 12 months.

The table below outlines the repayment periods available:

| Net Impact | Monthly paid Repayment amount | Fortnightly paid Repayment amount | Weekly paid Repayment amount | Duration |
|---|-------------------------------------|---|------------------------------------|--------------------|
| If the net impact is less than £25 (monthly paid), £12.50 (fortnightly paid) or £6.25 (weekly paid), no repayment plan will be set up as the balance will be cleared on the first pay | | | | |
| Up to £300 | £25.00 | £12.50 | £6.25 | Until fully repaid |
| £300+ | Full value paid over 12 months | Full value paid over 26 fortnights | Full value paid 52 weeks | Repaid in 1 year |

You will be able to repay the advance over an agreed period of time from your salary commencing in April 2020. Should you be happy to pay the deficit without putting in place a repayment plan, you can make arrangements to do this and the repayment plan will be cancelled.

Any staff member affected will be directly communicated with, will be provided with separate details on how this will work and your point of contact for any queries you may have.

17. When will I know if I am one of the staff affected by an increase in pension contributions?

The BSO Payroll Service Centre must apply the pay award, calculate arrears owed and then undertake the pension band review for each individual employee. There is a small processing window to enable all of this to happen and until the payroll is processed in full, employers will not know who is individually affected or by how much.

Your salary slip is available to you on HRPTS within 2 days of pay day. If you are affected Payroll will endeavour to write to you in advance of you receiving your March pay.

18. How is my pay award calculated if I have been or currently am on Family Leave? (i.e. Maternity, Paternity, etc.)

For staff whose Family Leave commenced prior to 1st April 2019, arrears will be paid on all qualifying entitlement received since 1st April 2019.

For staff whose Family Leave commenced on or after 1st April 2019, arrears will be paid on all payments received to date and any future payments will be increased in line with the employee pay award uplift

19. How is my pay award calculated if I have been or currently am on Sick Leave?

We will recalculate all sickness payments and pay any arrears based on the new rates. These will appear as OSP payments on your payslip in March.

20. How will pay arrears owed to me be paid if I have moved HSC employer since 1 April 2019?

If you were employed by one HSC employer at 1 April 2019 and have subsequently moved to another employer, your previous employer will pay any arrears owed to you for the period of time from 1 April 2019 until the date of the end of your employment with that organisation.

Your new HSC employer will also pay you any arrears owed to you from your commencement date with them until March 2020.

If you have left your previous employer while still owing money i.e. you have an outstanding debt, your previous employer will deduct any monies owing to them from any arrears they are due to pay you.

21. Will the pay award affect other benefits I am receiving?

The increased pay rates which are being paid in March 2020 are effective from 1 April 2019. These increased pay rates may have an impact on benefits paid to you from 1 April 2019 and any benefits you may claim going forward. Any staff that are in receipt of benefits and are concerned about the impact that the payment of pay award arrears will have on their benefits are advised to contact their local advice centre.

22. Will the pay award affect the amount of tax I pay?

Any increase to your gross pay including the non-consolidated award may increase the amount deducted in tax, National Insurance Contributions, pensions and statutory deductions such as student loans.

23. Will the pay award have an impact on travel claimed?

Any change to pay rates has no impact on the rates payable for travel claimed or on the number of miles claimed in any circumstance.

24 I have retired in the past year, will I receive arrears and how will this affect my pension?

You will receive arrears pro rata for the period prior to your retirement and you salary uplift information will be sent to the HSC Pensions department for recalculation of your pension

25 What is a non-consolidated award?

The non-consolidated award is a one-off payment that it has been agreed will be paid to staff on the top point of their scale on 31 March 19.

The award is not pensionable. It is subject to tax, National Insurance and student loan deductions. It will not increase your hourly rate, enhancements or allowances.

26. Why is this payment part of the pay award?

This pay award includes the non-consolidated award which formed part of the pay deal agreement reached on 14 January 2020.

27. How much is the non-consolidated award?

The table below shows the full time, value of the non-consolidated award before tax, national insurance and student loan deductions. If you work part time the amount you receive will be pro-rata based on your contracted hours as at 31 March 19. If you work term-time/flexible working the award will also be made pro-rata.

| | |
|---|------|
| Band 1 | £194 |
| Band 2 | £209 |
| Band 3 | £229 |
| Band 4 | £261 |
| Band 5 | £331 |
| Band 6 | £410 |
| Band 7 | £481 |
| Band 8a | £559 |
| Band 8b | £671 |
| Band 8c (Band 8d and 9 are also capped at this level) | £799 |

28. How will it appear on my payslip?

Payment of the non-consolidated payment will show under the allowances and other payments section of your payslip. See below as an example of how this will appear for a full time Band 4 employee, who does not work term time/flexible working.

| Allowances and other payments | |
|--------------------------------------|--------|
| Component | Amount |
| 1% Uplift | 261.00 |
| | |
| | |

29. On 31st March 2019 I wasn't on the top of my scale as I was acting up/seconded into a different pay band. Will I receive the non-consolidated award?

No. The non-consolidated award will only be paid if you are being paid on the top point of your scale on the 31 March 19.

30. Will a non-consolidated award be made to staff with a bank contract?

Staff with a bank only contract will not receive the non-consolidated award

If you hold a bank contract and a post with contracted hours you will receive the non-consolidated award based on your contracted hours post but not your bank contract.

31. On 31 March 2019 I was employed by another HSC Organisation, who will pay me the non-consolidated award?

If you are due the non-consolidated award, your HSC employer at the 31 March 2019 will pay the award into the bank account that they hold for you. If your bank account details have since changed you should contact payroll.ssc@hscni.net.

Guidance on understanding your payslip is available from: <http://payrolltraining.hscni.net/>

Following payment of the Pay Award, further discussions on the outworking's of its implementation will take place between Employers, Trade Unions and the Department of Health.

Pay for 2019/20 and 2020/21

| Band | Pay Point (under current system) | Years of Experience (to be adopted from 2019/20 under AfC refresh principles) | NI 2018/19 pay values | NI 2019/20 | Additional non- consolidated award 2019/20 (if eligible) | NI 2020/21 | One-off additional consolidated award 2020/21 |
|--------|---|---|--------------------------|-----------------------|---|------------|--|
| Band 1 | 1-3 | all | £16,943 | £17,652 | £194 | £18,005 | |
| Band 2 | 1 | <1 | £16,943 | £17,652 | | £18,005 | |
| | 2 | 1-2 | £16,943 | £17,652 | | £18,005 | |
| | 3 | 2-3 | £16,943 | £17,652 | | £19,337 | |
| | 4 | 3-4 | £16,943 | £17,652 | | £19,337 | |
| | 5 | 4-5 | £16,943 | £17,652 | | £19,337 | |
| | 6 | 5-6 | £16,943 | £17,983 | | £19,337 | |
| | 7 | 6+ | £17,406 | £19,020 | £209 | £19,337 | |
| | 8 | | £18,309 | | | | |
| Band 3 | 1 | <1 | £17,406 | £18,813 | | £19,737 | |
| | 2 | 1-2 | £17,406 | £18,813 | | £19,737 | |
| | 3 | 2-3 | £18,041 | £18,813 | | £21,142 | |
| | 4 | 3-4 | £18,424 | £18,813 | | £21,142 | |
| | 5 | 4-5 | £18,933 | £19,332 | | £21,142 | |
| | 6 | 5-6 | £19,504 | £19,917 | | £21,142 | |
| | 7 | 6+ | £20,246 | £20,795 | £229 | £21,142 | |
| Band 4 | 1 | <1 | £19,951 | £21,089 | | £21,892 | |
| | 2 | 1-2 | £19,951 | £21,089 | | £21,892 | |
| | 3 | 2-3 | £20,652 | £21,089 | | £21,892 | |
| | 4 | 3-4 | £21,368 | £21,819 | | £24,157 | |
| | 5 | 4-5 | £22,019 | £22,482 | | £24,157 | |
| | 6 | 5-6 | £22,239 | £22,707 | | £24,157 | |
| | 7 | 6+ | £23,131 | £23,761 | £261 | £24,157 | |
| Band 5 | 1 | <1 | £22,795 | £24,214 | | £24,907 | |
| | 2 | 1-2 | £22,795 | £24,214 | | £24,907 | |
| | 3 | 2-3 | £23,713 | £24,214 | | £26,970 | |
| | 4 | 3-4 | £24,668 | £26,220 | | £26,970 | |
| | 5 | 4-5 | £25,676 | £26,220 | | £27,416* | |
| | 6 | 5-6 | £26,695 | £27,260 | | £27,416* | |
| | 7 | 6-7 | £27,772 | £28,358 | | £30,615 | |
| | 8 | 7+ | £29,315 | £30,112 | £331 | £30,615 | |
| Band 6 | 1 | <1 | £27,772 | £30,401 | | £31,365 | |
| | 2 | 1-2 | £27,772 | £30,401 | | £31,365 | |
| | 3 | 2-3 | £28,889 | £30,401 | | £33,176 | |
| | 4 | 3-4 | £29,773 | £32,525 | | £33,176 | |
| | 5 | 4-5 | £30,813 | £32,525 | | £33,176 | |
| | 6 | 5-6 | £31,853 | £32,525 | | £33,779* | |
| | 7 | 6-7 | £32,893 | £33,587 | | £33,779* | |
| | 8 | 7-8 | £34,062 | £34,782 | | £37,890 | |
| | 9 | 8+ | £36,280 | £37,267 | £410 | £37,890 | |

| Band | Pay Point (under current system) | Years of Experience (to be adopted from 2019/20 under AfC refresh principles) | NI 2018/19 pay values | 2019/20 (exact English pay values) | Additional non- consolidated award 2019/20 (if eligible) | 2020/21 (exact English pay values) | One-off additional consolidated award 2020/21 |
|---------|---|---|--------------------------|---|---|---|--|
| Band 7 | 1 | <1 | £32,893 | £37,570 | | £38,890 | |
| | 2 | 1-2 | £32,893 | £37,570 | | £38,890 | |
| | 3 | 2-3 | £34,062 | £37,570 | | £40,894 | |
| | 4 | 3-4 | £35,753 | £37,570 | | £40,894 | |
| | 5 | 4-5 | £36,794 | £38,765 | | £40,894 | |
| | 6 | 5-6 | £37,964 | £38,765 | | £41,723* | |
| | 7 | 6-7 | £39,263 | £40,092 | | £41,723* | |
| | 8 | 7-8 | £40,627 | £41,486 | | £44,503 | |
| | 9 | 8+ | £42,616 | £43,772 | £481 | £44,503 | |
| Band 8a | 1 | <1 | £41,995 | £44,606 | | £45,753 | |
| | 2 | 1-2 | £41,995 | £44,606 | | £45,753 | |
| | 3 | 2-3 | £43,684 | £44,606 | | £45,753 | |
| | 4 | 3-4 | £45,373 | £46,331 | | £45,753 | £765 |
| | 5 | 4-5 | £47,325 | £48,324 | | £45,753 | £2,766 |
| | 6 | 5+ | £49,476 | £50,819 | £559 | £51,668 | |
| Band 8b | 1 | <1 | £48,756 | £52,306 | | £53,168 | |
| | 2 | 1-2 | £48,756 | £52,306 | | £53,168 | |
| | 3 | 2-3 | £51,225 | £52,306 | | £53,168 | |
| | 4 | 3-4 | £54,084 | £55,226 | | £53,168 | £2,282 |
| | 5 | 4-5 | £56,945 | £58,148 | | £53,168 | £5,215 |
| | 6 | 5+ | £59,370 | £60,983 | £671 | £62,001 | |
| Band 8c | 1 | <1 | £58,504 | £61,777 | | £63,751 | |
| | 2 | 1-2 | £58,504 | £61,777 | | £63,751 | |
| | 3 | 2-3 | £61,105 | £61,777 | | £63,751 | |
| | 4 | 3-4 | £63,966 | £64,670 | | £63,751 | £1,180 |
| | 5 | 4-5 | £68,256 | £69,007 | | £63,751 | £5,534 |
| | 6 | 5+ | £71,243 | £72,597 | £799 | £73,664 | |
| Band 8d | 1 | <1 | £70,206 | £73,936 | | £75,914 | |
| | 2 | 1-2 | £70,206 | £73,936 | | £75,914 | |
| | 3 | 2-3 | £73,131 | £73,936 | | £75,914 | |
| | 4 | 3-4 | £76,707 | £77,550 | | £75,914 | £1,949 |
| | 5 | 4-5 | £80,606 | £81,493 | | £75,914 | £5,907 |
| | 6 | 5+ | £85,333 | £86,687 | £799 | £87,754 | |
| Band 9 | 1 | <1 | £84,507 | £89,537 | | £91,004 | |
| | 2 | 1-2 | £84,507 | £89,537 | | £91,004 | |
| | 3 | 2-3 | £88,563 | £89,537 | | £91,004 | |
| | 4 | 3-4 | £92,813 | £93,835 | | £91,004 | £3,209 |
| | 5 | 4-5 | £97,269 | £98,339 | | £91,004 | £7,732 |
| | 6 | 5+ | £102,507 | £103,860 | £799 | £104,927 | |

* these points are transitional for 2020/21 and will be removed in April 2021, with staff moving to the next highest point