



UNIVERSITY OF  
LINCOLN

# Pay Protection Policy

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## 1. Purpose

The University aims to identify the need for change and to manage that change, taking in to account University objectives and the well-being of the employees.

The purpose of this policy is to provide protection of benefits during a period of:

- Restructure / organisational change
- Following a job evaluation exercise
- Staff Transfer (TUPE)
- Revising of roles

This policy will not apply in the event of downgrading or transfer which is a result of the employee's competence, following disciplinary action or where the move is at the personal request of the employee.

Pay protection applies when downgrading due to organisational change is involved or where as a result of job evaluation, and employees post is graded at a lower level than they are currently remunerated on.

## 2. Scope

University Registry.

## 3. Definition of Basic Pay

Basic pay is defined as annual contractual basic pay excluding any additional allowances for example:

- First aid payments
- Departmental trainer allowance
- Flexible working
- Weekend enhancement
- Additional duties allowance

These allowances will be reviewed on a separate basis.

## 4. Protection of Benefits

The purpose of pay protection is to maintain the salary levels, for a set period of time, which will be agreed during the consultation period for those staff for where the maximum of the new grade to which their role has been allocated is below their current pay.

For staff returning from Maternity, Secondment or any other special leave reasons from their substantive post, their basic salary and any contractual payments will remain the same until the end of the pay protection period ends following consultation.

## **5. Holiday pay**

Under the pay protection policy, annual leave entitlement will remain at the “protected amount” (where applicable) until the start of the new holiday year. The leave entitlement will reduce based on a pro-rata calculation derived from length of service and the regraded spinal point.

## **6. Sickness entitlement**

Sickness entitlement is based upon length of service. The entitlement will remain the same. The only change will be to the full pay and half pay calculation. This will be based upon the “pay protected” salary during the agreed protected period. If the individual remains on sick leave, and exhausts their pay protected period, the full and half pay amount will be recalculated and reduce to the lower spinal point.

## **7. Continuous service**

This will remain the same providing there is no break in service.

## **8. Protection period**

The period of protection to be applied will be dependent upon the criteria of each scenario and will be evaluated by the Human Resources department. The period will be informed as part of the consultation process.

## **9. Payslip itemisation**

The pay protection element will be separately identified upon your itemised payslip in order to allow for clarity between basic pay and pay protection.

## **10. Future pay increases**

**10.1** During the period of protection, cost of living salary increases and annual increments will be applied to the new basic salary dependent upon qualifying rules. Increases will not be applied to the protected salary amount which will remain “frozen”.

**Example (details prior to Cost of living):**

Basic salary	£ 22,765 (£1,897.08 per month)
Salary protected to	£ 24,877 (£176.00 per month)

Gross pay per month ( $£1,897.08 + £176.00 = £2073.08$ )

**Example after a 3% cost of living increase has been applied:**

Basic salary	£23,448 (£1,954.00 per month)
Salary protection to	£24,877 (£119.08 per month)

The difference between annual salary protection amount and increased cost of living basic salary amount has decreased.

Gross pay per month ( $£1,954.00 + £119.08 = £2073.08$ )

**10.2** The period of pay protection ends either when:

- The basic pay equals or exceeds the protected pay
- Or when the protected employee changes to a role of a higher grade than the protected pay
- Or at the end of the protection period (agreed time set limit during consultation period)
- Or when the employee leaves

**10.3** If the standard hours change during the period of protection, the protected pay will be calculated on the appropriate basis.

- If an employee's contractual hours are reduced in the role, then the pay protection amount will be recalculated on a pro rata basis based on the new hours
- If an employee's contractual hours are increased in the role, the pay protection will not increase for the additional element

## **11. Overtime payments**

Calculation of overtime payments will be based upon the salary plus pay protection amount for the length of the protection period. This is subject to Line Manager approval prior to the work being undertaken and must not be abused.

## **12. Forfeit of pay protection**

Protection would be applied to a maximum of one grade differential i.e. an individual who accepts a position two grades beneath their protected role would not be eligible for protection.

# Pay Protection Policy

Owner	Last Reviewed	Next Review
Human Resources	April 2009	April 2010



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