

# SECTION TBC

## POLICY ON THE USE OF SALARY SUPPLEMENTS

### Introduction:

- 1. The Northern Ireland Assembly Commission ('Assembly Commission') recognises that in certain circumstances, its pay policy requires flexibility to deal with external market pressures that present risks to the operation of Assembly Commission business. External market pressures can include a scarcity of skills and/or experience in the local job market for posts required by the Assembly Commission, which may lead to an increase in salary levels for these posts.
- 2. When such external market pressures arise, there will be a variety of actions the Assembly Commission can take to address them. One such action may be the use of a Salary Supplement.
- 3. A Salary Supplement may be used to attract persons with the necessary skills and experience to a particular post within the Assembly Commission. A Salary Supplement may also be used for existing post holders if the market salary for a particular post is substantially higher than that paid by the Assembly Commission for the same post <u>and</u> the Senior Management Team (SMT) considers that it presents a risk to the operation of Assembly Commission business.

### **Purpose:**

4. This Policy provides guidance surrounding the use of Salary Supplements and the approval process.

## **Considerations:**

- 5. When considering a Salary Supplement, the Assembly Commission will consider the general objectives of its pay arrangements and in particular the following requirements:
  - adherence to equal pay legislation. The Equal Pay Act (Northern Ireland) 1970
    requires that men and women in the same workplace be given equal pay for
    equal work. This includes work rated as equivalent. If the work of employees at
    the same grade is rated as equivalent, it follows that higher payments to only
    some employees at the same grade will require robust justification;

- that pay should be relative to what is necessary to recruit and retain staff; and
- to reconcile responsibilities for the control of public expenditure with its' responsibilities as an employer.
- 6. When considering a Salary Supplement, the salary paid by the Assembly Commission should be considered in the context of the overall remuneration package and other terms and conditions of service, including for example the:
  - value of Assembly Commission pension arrangements;
  - availability of flexible working hours and patterns including hybrid working, additional leave entitlements, sick pay arrangements and so on;
  - opportunity for further learning and development;
  - acquisition of parliamentary experience; and
  - suitability of location.

### **Process:**

7. In the event that a Salary Supplement is being considered outside of a wider organisational pay benchmarking exercise, the following paragraphs will apply.

#### Justification for use of a Salary Supplement

- 8. A Head of Business who is recruiting to a vacant post and who wishes to utilise a Salary Supplement will be required to discuss the matter with their Director in the first instance. If the Director agrees that a Salary Supplement is appropriate, the Head of Business will complete the Salary Supplement request form and submit it to the Director to complete their section of the request form. The request form will then be considered by SMT. From a planning perspective, sufficient time needs allocated in the recruitment process to obtain the necessary approval from SMT.
- 9. In the event that a Director decides that the market rate for a particular post is substantially higher than the salary paid by the Assembly Commission for the same post <u>and</u> the situation presents a risk to the organisation, the Director can initiate a review of the salary and complete the Salary Supplement request form as necessary.
- 10. The Request Form requires the Head of Business/Director to justify the use of a Salary Supplement and recommend the value of the Supplement. This information must be supported by robust evidence, such as (but not limited to):
  - an analysis of salary rates for comparable posts in the appropriate job market and the extent to which these exceed those paid by the Assembly Commission;
  - the inability to attract suitably skilled and/or experienced applicants for the post and/or similar posts in previous recruitment competitions, along with the costs associated with that recruitment; and

- the business risks for the Assembly Commission if a Salary Supplement is not utilised.
- 11. When considering the appropriate value of the Salary Supplement, the Head of Business/Director should have regard to the requirement that pay (both basic and the Supplement) should only be that necessary to recruit appropriately skilled and qualified staff, balanced by the need for the Assembly Commission to reconcile its responsibilities for the control of public expenditure and its responsibilities as an employer.
- 12. In the case of a vacant post, the decision to offer a Salary Supplement will be made in advance of advertising the post. This will enable the Supplement to be appropriately communicated to all prospective applicants, and is in keeping with the general principle of openness and transparency in the Assembly Commission's recruitment procedures.
- 13. Where a Salary Supplement is paid to a newly recruited member of staff, it must also be paid to all existing members of staff at the same grade, **AND** in the same post, **AND** in the same Business Area.

#### Characteristics of a Salary Supplement

- 14. An approved Salary Supplement will relate to a particular post as opposed to the post holder and will:
  - form part of the contract of employment which will set out the minimum period for which it will be paid, after which time it will be subject to review;
  - be paid in addition to basic salary and will be revalorised in line with the annual pay award;
  - be payable from the date of appointment of new staff whose post attracts the Salary Supplement, or be paid to existing staff from the date that SMT approves the Salary Supplement for the relevant post; and
  - be pensionable<sup>1</sup> and will be treated as pay during any absence for which ordinary pay continues.
- 15. If staff are deputised into a higher graded post which attracts a salary supplement, they will be paid a proportion of the full salary supplement consistent with the Assembly Commission's approach to the payment of Deputising Allowance. Further detail is shown in Section 8.08 of the Staff Handbook: Temporary Service in a Higher Grade.
- 16. Those staff who are already in receipt of a historic job-related allowance and whose post attracts a Salary Supplement that is higher than the current allowance, will be entitled to receive the new Salary Supplement. In doing so, they must permanently relinquish their

<sup>&</sup>lt;sup>1</sup> The decision to pay a salary supplement as a pensionable allowance, is subject to receiving permission from the Department of Finance as set out under the PCSPS (NI) Rules.

existing job-related allowance and vary their existing contract of employment which incorporates the new Salary Supplement.

- 17. If staff who are in receipt of a historic job-related allowance are successful in applying for a different post that attracts a Salary Supplement and they accept that post, their previous job-related allowance will cease on the effective date of transfer to the new post.
- 18. If staff who are in receipt of a Salary Supplement request redeployment to another post at the same grade, or are successful in obtaining another post which does not attract a Salary Supplement, payment of the Salary Supplement will cease on the effective date of transfer.
- 19. If staff who are in receipt of a Salary Supplement become surplus in their current post and it is necessary for management to redeploy them to another post, they may be entitled to retain the Salary Supplement on a mark time basis.

### **Monitoring and Review**

20. In order to ensure that the Assembly Commission complies with its statutory obligations, particularly in relation to the Equal Pay Act (Northern Ireland) 1970, the payment of Salary Supplements will be monitored and reviewed no later than every five years, to ensure that there is sufficient objective evidence to justify payment. If the evidence supporting the use of a Salary Supplement changes, SMT will consider the matter further and respond appropriately in consultation with any relevant staff.

### **General Information**

21. Enquiries relating to this Policy should be directed to the Human Resources Office Services Team at <a href="https://www.hrservices@niassembly.gov.uk">hrservices@niassembly.gov.uk</a>

### **Related Policies, Guidance and Forms**

22. For further information on policies regarding pay, see Section 8 of the Staff Handbook.