Pay Protection Policy

# Document Control:

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| Responsible Executive Director | Executive Chief People Officer |
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| Stakeholders engaged in development of Policy (internal and external) | * Mid and South Essex Staff Engagement Group * Trade Unions |
| Impact Assessments Undertaken | * Equality and Health Inequalities Impact Assessment |

# Version History

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| --- | --- | --- | --- |
| Version | Date | Author (Name and Title) | Summary of amendments made |
| 0.1 | April 2023 | Judith Low, HR Business Partner | First draft of new MSE ICB Policy |
| 0.2 | 12/05/23 | S O’Connor, Head of Governance and Risk | Insertion of Policy No, link to associated policies. |
| 0.3 | 22/05/23 | S O’Connor, Head of Governance and Risk | Minor amendments requested by Chair of Remuneration Committee. |
| 1.0 | 25/05/23 | S O’Connor, Head of Governance and Risk | Final approved version. |
| 1.1 | 25/04/2025 | Dhanya Ravindranath, HR Business Partner | Changes to appendix B NHS Pensions Information in line with NHS Pensions. Section 6.25 up-dated in line with current payscales |
| 2.0 | 04/06/2025 | H Chasney, Governance & Corp Svcs Officer | Final – Approved version. |
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## Introduction

Mid and South Essex ICB are committed to the continuous development and improvement of health services to the population of mid and south Essex that they serve. To achieve this, it is required to remain responsive, adaptable and flexible with the ability to change with regard to services provided, organisational structure and employees’ skills. Service development and the need to continually improve organisational effectiveness will sometimes necessitate changes to staffing levels, structures, roles and ways of working.

## Purpose / Policy Statement

The overriding aim of this policy is to establish a clear framework for protecting individuals’ pay where this is adversely affected through a process of organisational change.

## Scope

This policy applies to all ICB Employees engaged on Agenda for Change Terms and Conditions of Service and will be applied consistently and equitably to all staff.

This policy will apply to all employees of the ICB who are affected by any form of organisational change and who are required by the ICB to move to a new post of a lower grade.

This policy will apply to any employee who, as a consequence of organisational change implemented by the ICB:

* Moves to a new post at a lower grade/salary; or
* Suffers a reduction in their earnings or contracted hours.

The procedure and its provisions may run in conjunction and in parallel with any other existing protection arrangements. The ICB will determine how any new protection arrangements (such as changes within Agenda for Change Terms and Conditions) would interact, and in such cases, would ensure that the individual should suffer no detriment.

## Definitions

* Organisational change – Any structural change in the organisation of services or functions carried out by the ICB. The ICBs’ Organisational Change Policy defines major change as “the reorganisation, relocation, merger, expansion or closure of a service/department, competitive tendering or outsourcing, or a major change in working practice. Changes that impact on terms and conditions and pay will usually be deemed as major organisational change.”
* Basic salary – The monthly sum due in respect of basic hours worked by the employee within the standard working week. This excludes any payments made in respect of acting up (or additional responsibilities), honoraria, overtime, working outside normal hours payments, Agenda for Change recruitment and retention premia, fringe allowance, standby or on call duties.
* Downgrading – Downgrading is when, as a result of organisational change, an employee is moved to a lower banded post where the maximum pay point of the band in the new post is lower than the maximum pay point of the band in the old post, irrespective of its title.
* Protectable earnings – Basic salary plus monthly average of the following additional earnings (if applicable):
* Rostered and regular overtime where this is a recognised contractual feature of pay.
* Unsocial hours payments.
* On-call/standby payment.
* Long term recruitment & retention premia.
* High Cost Area / locally agreed ‘fringe’ payments/ supplements, where applicable.

Any temporary payments made in respect of acting up or additional responsibility allowances are not included. Monthly average will be calculated over the four months immediately preceding the first day of employment in the new post.

* Long term protection – Protection of basic salary on a marked time basis. This applies where a member of staff is downgraded as a result of organisational change and will be implemented from the effective date of the change. In many cases this may minimise the impact to the employee at the end of the pay protection period.
* Short- and long-term protection will run concurrently where applicable.
* Short term protection – Protection of an employee’s additional earnings (i.e. other than their basic salary) where their total income is reduced as a result of changes to their post, such as a loss of or reduction in unsocial hours or on call duties. Voluntary changes to roles which eliminate the requirement to undertake on call or unsocial hours etc are excluded.
* Marked time – Pay and pay-related conditions are frozen and remain unchanged by inflationary pay awards, incremental or other progression.

## Roles and Responsibilities

### Integrated Care Board

* + 1. The ICB Board is accountable and responsible for ensuring that the ICB has effective processes for the protection of pay in accordance with relevant legislation and best practice guidance.

### Chief Executive

* + 1. The Chief Executive is accountable for the policy and procedure being in place to ensure fair and equitable approach to pay protection for employees.

### Policy Authors

* + 1. Policy authors are responsible for ensuring that this document is updated when any changes are made to the NHS Agenda for Change Terms and Conditions for Service for pay protection.

### Executive Chief People Officer

* + 1. The Chief People Officer oversees the implementation of this policy and is responsible for ensuring that managers take action to meet the organisation’s obligations to ensure equity and consistency.

### Line Managers

* + 1. Line managers are responsible for familiarising themselves with this policy in order to answer queries from staff as appropriate.

### All Staff

* + 1. All staff are responsible for being aware of this policy and its contents.

## Policy Detail

### Principles

* + 1. This policy should be read in conjunction with the ICB’s Organisational Change Policy.
    2. Pay protection will only be applied to an employee’s substantive post.
    3. The organisation will endeavour at all times to redeploy staff into new roles which match the levels of skills and responsibilities required in the previous pay band and to provide reasonable training to enable staff to fulfil new roles, although it is recognised that this may not always prove possible.
    4. Protection of pay may cease if a member of staff unreasonably refuses any subsequent offer of another suitable post within the organisation which attracts a basic salary which is the same or in excess of that applying to the old post. If a staff member unreasonably refuses to accept such an offer, protection will cease with immediate effect. The employee will have the right to appeal.

### Long Term Protection

* + 1. Wherever possible individuals will be offered an alternative post which is deemed suitable by both the employer and the organisation. A suitable alternative post will, in the first instance, be a post at the same band as the individual’s substantive position. Where this is not possible, consideration will be given to posts that are lower banded than the employee’s substantive post prior to the organisational change.
    2. An employee who is permanently downgraded to a post which is identified as being a suitable alternative as a result of organisational change and where their current basic salary exceeds the top increment of the lower banded post, will be entitled to long term protection, meaning that their basic salary in the old post will be protected for a period of time as per the table below:

|  |  |
| --- | --- |
| **Length of NHS reckonable service** | **Protection period** |
| 0-9 years | 2 years |
| 10+ years | 3 years |

* + 1. Where the individual is permanently downgraded and their current basic salary does not exceed the top increment point of the band in the new post, they will move across on the same salary. Long term protection will not apply and the incremental date will remain the same.
    2. Staff employed on Very Senior Manager (VSM) pay would not be expected to move to a post that would see more than a drop of 15% of basic pay. Pay protection would therefore only apply for VSM staff to a maximum of a 15% decrease in pay as per the ICB’s Organisational Change Policy.
    3. In the event that an employee and the ICB agree that a post two bands lower than the employee’s substantive post is deemed to be a suitable alternative, redeployment into that post may be agreed. In this instance, pay protection would be limited to the top of the band below the employee’s substantive role (i.e. if an employee were redeployed from a band 6 to a band 4 post, pay protection would be applied at no higher than the top of the band 5 salary scale). Actual placement on the lower pay banding (in this instance, band 5) will depend on how many years’ experience they have at the higher band.
    4. Where the new post is subject to paid enhancements for unsociable hours, these will only be paid when the individual has earned more in their new post than the value of either their long-term protection or their short-term protection (whichever is in payment) for that period. For example, where the basic salary in the new post plus any enhancements is greater than the basic salary in the new post plus any pay protection. Where the new post attracts on-call duties, payment will be made as per ICB on-call arrangements.
    5. Where the new post requires the post holder to increase their contracted hours, the individual will receive pay for the additional hours at the appropriate rate on the band of the new post for those hours. These additional hours will not be subject to long term protection.
    6. During a period of basic pay protection, an employee and their line manager should work together to make reasonable attempts to secure employment at the previous (or protected) band. If downgraded as a result of an organisation change exercise, and if they secure a post at the old band whilst still in the protection period, their protection will come to an end but they will be placed on the same point of scale as before they were downgraded.
    7. The affected member of staff is entitled to protection of their earnings on a marked time basis for a maximum period as outlined above, or until the first of the following occurs;
* The employee accepts a suitable post in which the normal basic salary is equal to or exceeds the protected salary; or
* The employee moves of their own accord to a position with a basic salary which is equal to or lower than that of the **existing post;** or
* The employee retires or otherwise leaves the organisation; or
* The employee unreasonably refuses the offer of a **suitable alternative post;** or
* The basic salary for the job is above the protected pay.

### Short Term Protection

* + 1. Where an employee’s total income is reduced as a result of changes not related to the banding of their post, for example hours, requirement to be part of the on-call rota or work base attracting a high cost area supplement, short term protection of their additional earnings (i.e. other than their basic salary) applies.
    2. A member of staff who is affected in this way is entitled to have these elements of their pay protected for a period of 12 months.
    3. Earnings in the post will be offset against protectable earnings. If for any particular pay period the earnings in the new post exceed the protectable earnings, the protection of earnings will cease and earnings in the new post are paid in full for that particular pay period.

### Interaction Between Short and Long-term Protection

* + 1. An employee who is eligible for long term protection where downgrading occurs may also initially have a concurrent right to short term protection. Until the short-term protection expires, the employee will be paid on the basis of and according to the conditions of whichever right is more favourable to the employee. Thereafter, payment is on the basis of the ongoing entitlement to long term protection. There must be no overall increase to pay by the application of long and or short term pay protection.

### Other General Terms of Protection

* + 1. Employees must endeavour to work with management to seek and apply for roles which are deemed to be ‘appropriate’ in terms of skills, knowledge and conditions, in order to regain the pre-protection level of employment wherever possible.
    2. Protection may be ceased immediately should an individual unreasonably refuse a subsequent offer of employment at the former grade (which is deemed to be suitable).
    3. Any subsequent change of post due to an organisational change can attract a further period of protection as long as all other qualifying conditions are met.
    4. Any subsequent voluntary move by the employee will terminate the protection period.
    5. Employees who move to a new post will be entitled to protection of the notice period of their former post for the duration of their protected period. (The period of notice may not be less than that provided for under the Employment Rights Act). Employees may waive this entitlement should they not wish to retain the notice period attributable to the former post. Employees should be aware that protection of notice will apply to the requirement of the individual to give notice to the organisation, and the requirement of the organisation to give notice to the individual.
    6. Pay protection will not normally apply in cases where permanent allocation to work at a lower grade is offered as an alternative to dismissal, following a disciplinary hearing or ‘Contractual Review’ meeting held under the ICB’s Managing Performance, Disciplinary or Absence Management policies.
    7. Where an individual requests a move to a lower graded role and this can be accommodated within the team, pay protection will not be applied as voluntary moves are excluded from the provisions of this policy.

### Protection in Respect of Conduct & Capability

* + 1. Where, as a result of management action taken under the ICB’s Managing Performances policies, it has been identified that temporary allocation to work at a lower grade (whilst retaining their substantive grade) is appropriate, protection should only be in circumstances where:
* It has been identified that a lack of appropriate training/supervision/support was the major contributing factor in the case; and
* It is envisaged that a further period of **training/supervision/support is appropriate, can be provided and monitored, and is likely to lead to the required improvement in performance.**
  + 1. In these circumstances, short-term protection of earnings may be offered for a maximum period of six months.
    2. At the end of the agreed period of protection, the manager in consultation with the HR service will review the progress made and consider the following options:
* That the required improvements have been achieved and the employee will revert to their original grade;
* That progress has been made, but that a further period of training/support may be required, and a further maximum of three months short-term protection may be agreed;
* That insufficient progress has been made towards achieving the required improvement and **further action under the ICB’s policies will be required.**
  + 1. Pay protection will not apply in cases where permanent allocation to work at a lower grade is offered as an alternative to dismissal, following a disciplinary hearing held under the ICB’s Managing Performance and Disciplinary policies. This would not be an option in cases of conduct or gross misconduct, but would only be considered in cases of capability when all stages of the respective policies had been exhausted, and where redeployment was not an appropriate option.

### Change of Base

* + 1. There may be occasions when employees are required to change their base of work as a result of an organisational change. In such cases, if the distance from an employee’s home to their new place of work increases in miles or results in additional public transport costs, they may be reimbursed their extra daily travelling expenses (excess travel) for a maximum period of four years from the date of the change in accordance with relevant paragraphs in Section 17 of the NHS Terms and Conditions Handbook.

### Subsequent Changes

* + 1. Each subsequent change of post due to organisational change covered by this agreement will attract a new period of protection. Where this takes place within the original protection period, thereby creating an overlap with an earlier period of protection, the ‘higher’ protected amount will continue to be paid for whatever time remains of the original protection period. Therefore, the second protected amount would be paid for the remaining duration up to the end of the second protection period.
    2. For example, an individual in a Band 8a post and who is redeployed into a Band 7 role would receive protection at the salary received as an 8a and this would be for the protection period stated in section 5.2.
    3. However, if after a year and as a result of further organisational change, the individual then moves to a Band 6 role, they would continue to receive the difference between their original Band 8a salary until the expiry of the original protection period. Once this has expired, they would then receive, as protection, the difference between the Band 7 and Band 6 salaries to the end of the second period of protection.

### Pension Arrangements

* + 1. Members of an NHS Pension Scheme who are redeployed into a lower graded post as a result of organisational change may be eligible to have their period of membership at their previous higher rate of pay treated a preserved membership (subject to the relevant qualifying membership of the NHS Pensions Schemes). Should any individual require further pensions advice they should contact the NHS Pension Agency direct. However, replicated at Appendix 1 is an extract from the NHS Pensions Agency website regarding protection arrangements.
    2. All such applications should be made within three months of the change.

### Protection During Sickness Absence

* + 1. For any individual who is in receipt of pay protection who is subsequently absent from work due to sickness, the following will apply:
* Pay protection will be paid when an individual is off sick and in receipt of full or half sick pay
* Pay protection will not be paid if sick pay has been exhausted and the individual is no longer in receipt of sick pay.

### Appeals

* + 1. Any individual who feels that the provisions of this agreement have not been applied correctly to their situation should discuss the matter with their line manager. If this fails to resolve the matter, the individual may raise a formal grievance under the terms of the ICB’s Grievance Policy.

## Monitoring Compliance

The HR Team will be responsible for monitoring that this procedure is followed and may be consulted at any stage through the process to offer advice to those involved.

Monitoring information will be published and reported as appropriate.

Should the monitoring uncover any shortfalls in the implementation of the policy, the HR team will work with the relevant management team to draw up an action plan for improvement.

## Staff Training

No essential (including mandatory) learning and development requirements have been identified for any staff groups, in order to fulfil the requirements stated within this policy.

Guidance can be sought from Human Resources team.

## Arrangements For Review

This policy will be reviewed no less frequently than every two years. An earlier review will be carried out in the event of any relevant changes in legislation, national or local policy/guidance, organisational change or other circumstances which mean the policy needs to be reviewed.

If only minor changes are required, the sponsoring Committee has authority to make these changes without referral to the Integrated Care Board. If more significant or substantial changes are required, the policy will need to be ratified by the relevant committee before final approval by the Integrated Care Board.

## Associated Policies, Guidance and Documents

#### [Associated Policies](https://www.midandsouthessex.ics.nhs.uk/publications/?publications_category=icb-policies)

* Organisational Change Policy
* Grievance Policy
* Managing Performance Policy
* Disciplinary Policy
* Absence Management Policy

## References

* NHS Terms and Conditions of Service - any reference is to the latest edition.

## Equality Impact Assessment

The EIA has been included as Appendix A.

## Appendix A - Equality Impact Assessment

**INITIAL INFORMATION**

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| --- | --- |
| **Name of policy:**  Pay Protection  **Version number (if relevant):**  2.0 | **Directorate/Service**:  Human Resources |
| **Assessor’s Name and Job Title:**  **Dhanya Ravindranath, HR Business Partner** | **Date:**  **April 2025** |

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| **OUTCOMES** |
| *Briefly describe the aim of the policy and state the intended outcomes for staff* |
| The aim of this policy is to establish a clear framework for protecting individuals’ pay where this is adversely affected through a process of organisational change. |
| **EVIDENCE** |
| *What data / information have you used to assess how this policy might impact on protected groups?* |
| The ICB monitors the composition of its workforce under the nine protected equality characteristics and reports on this annually. This information helps the ICB to assess the potential impact of its policies upon staff. |
| *Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?* |
| Relevant Trade Unions have been consulted on the policy and any comments will be taken into consideration when the policy is published. |

**ANALYSIS OF IMPACT ON EQUALITY**

The Public Sector Equality Duty requires us to **eliminate** discrimination, **advance** equality of opportunity and **foster** good relations with protected groups. Consider how this policy / service will achieve these aims.

N.B. In some cases it is legal to treat people differently (objective justification).

* ***Positive outcome*** *– the policy/service eliminates discrimination, advances equality of opportunity and fosters good relations with protected groups*
* ***Negative outcome*** *–**protected group(s) could be disadvantaged or discriminated against*
* ***Neutral outcome***  *–**there is no effect currently on protected groups*

Please tick to show if outcome is likely to be positive, negative or neutral. Consider direct and indirect discrimination, harassment and victimisation.

| Protected  Group | Positive  outcome | Negative  outcome | Neutral  outcome | Reason(s) for outcome |
| --- | --- | --- | --- | --- |
| Age |  | ✓ |  | The policy might adversely affect younger staff who are likely to have less service but this can be objectively justified within the Equality Act.  Final pension allowances may be affected by changes in salary, depending on the pension scheme and age of the employee. An adverse impact may be mitigated by requesting that the period of pension membership at the previous higher rate of pay is treated as preserved membership. |
| Disability  (Physical and Mental/Learning) |  |  | ✓ | No detrimental impact on this group is identified in the policy however it is important that the application of the organisational change policy that could lead to the need to apply pay protection are applied so as not to deliberately or inadvertently cause a detrimental impact to any of the protected groups. |
| Religion or belief |  |  |  | As above |
| Sex (Gender) |  |  |  | As above |
| Sexual  Orientation |  |  |  | As above |
| Transgender / Gender Reassignment |  |  |  | As above |
| Race and ethnicity |  |  |  | As above |
| Pregnancy and maternity (including breastfeeding mothers) |  |  |  | As above |
| Marriage or Civil Partnership |  |  |  | As above |

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| **MONITORING OUTCOMES** |
| Monitoring is an ongoing process to check outcomes. It is different from a formal review which takes place at pre-agreed intervals. |
| *What methods will you use to monitor outcomes on protected groups?* |
| It is anticipated that any issues in respect of the implementation of the policy will be identified as a result of staff exercising their right of appeal or via the ICB’s  Grievance Procedure. |

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| **REVIEW** |
| *How often will you review this policy / service?* |
| Every 2 years as a minimum and earlier if there are any significant changes in legislation, policy or good practice. |
| *If a review process is not in place, what plans do you have to establish one?* |
| N/A |

## Appendix B – NHS Pensions – Protection of pay and voluntary protection of pay

# Protection of Pay and Voluntary Protection of Pay Factsheet-20230406 (V5)

**Introduction**

If you have at least two years qualifying membership in the NHS Pension Scheme and suffer a reduction in pensionable pay, you may be able to apply to protect your pension benefits earned in the 1995 or 2008 sections of the scheme.

There are two provisions under which you can apply to protect your pensionable pay:

* Protection of pay (through no fault of the member) (1995 and 2008 Section membership only)
* Voluntary protection of pay (1995 Section membership only)

Protection of pay and voluntary protection of pay are only relevant to pension benefits earned in the 1995/2008 Scheme, which are based upon your final salary. These protections are not relevant to benefits earned in the 2015 Scheme, because it is a career average revalued earnings (CARE) scheme where the benefits earned are based on pensionable earnings across your career.

If you have benefits in the 1995/2008 Scheme and move to the 2015 Scheme, you may retain a ‘final salary link’ for the calculation of your 1995/2008 Scheme benefits, providing that you do not have a break in membership of five years or more after your membership of the 1995/2008 Scheme ceased.

If you maintain a final salary link, your 1995/2008 Scheme benefits will be calculated based on your final pensionable salary up to your retirement date. If the final salary link is lost before retirement, the 1995/2008 Scheme benefits will be based upon your pensionable salary earned up to the date the link ceased to apply.

If you retain a final salary link and your pay reduces, you can request protection of pay or voluntary protection of pay, if you meet the eligibility criteria.

Protection of Pay and Voluntary Protection of Pay are not relevant if the higher paid employment is immediately followed by a break in membership of 12 months or more. This is because once a break in membership of 12 months has occurred, the benefits earned before the break are automatically preserved (protected), based on the level of pay prior to the break.

**Protection of pay (due to a reduction in pay through no fault of your own)**

**Eligibility criteria**

To be eligible you must:

* have at least two years qualifying membership in the NHS Pension Scheme
* have suffered a reduction in pensionable pay through no fault of your own
* apply for protection of pay within three months of going onto reduced pay or marking time
* be a protected member of the 1995 or 2008 Section or have a salary link to 1995/2008 Scheme preserved rights when you moved over to the 2015 Scheme

Examples of accepted reasons for protection of pay are:

* a change in the nature of the duties performed, for example, due to ill health
* a move to a lower paid post because of pending or actual redundancy
* being transferred to other employment due to reorganisation

Where pay is to ‘mark time’ for a specified period, protection can be requested at the beginning and at the end of the mark time period.

There is no age restriction or minimum level of pay reduction requirement and there is no limit to the number of requests you can make if your pay reduces on more than one occasion.

If you are a protected 1995/2008 Scheme member who is made redundant, we can consider protecting pension benefits when you return to NHS employment on a lower rate of pensionable pay within 12 months of being made redundant.

As pension benefits are automatically preserved after a break of 12 months in the 1995/2008 Scheme, you would not need to apply for protection of pay if returning to NHS pensionable employment 12 months or more after being made redundant.

If you have moved over to the 2015 Scheme with a final salary link to 1995/2008 Scheme pension benefits and are then made redundant, we can consider protecting the pension benefits if you return to a lower rate of pensionable pay within 12 months.

**Voluntary protection of pay**

If you have reached minimum pension age and choose to step down to a role where your new or remaining duties are less demanding and carry less responsibility than your previous duties, you may be able to apply for voluntary protection of pay if your pay reduces by 10% or more.

Voluntary protection of pay was introduced from 1 April 2008 to provide more flexibility in the 1995 Section of the NHS Pension Scheme. The provision supports the Improving Working Lives initiatives which exist in the NHS and recognises that in the run up to retirement you may prefer, if possible, to remain in NHS employment, perhaps in a lesser capacity, while protecting your pension benefits.

This provision also allows an employer to maintain the valuable knowledge and skills of a member who may otherwise have left the NHS. Any ‘step down’ will therefore be agreed between the employer and the member, and the employer will have to provide NHS Pensions with information that the step down has been agreed. The provision is also intended for lasting, rather than trivial or short-term reductions in pay.

It would normally be expected that the step down would occur with the same employer. However, if a suitable role to ‘step down’ to cannot be provided by one employer, but can be arranged with another, this would be acceptable. In this case both employers will have to provide information that confirms a ‘step down’ arrangement has been agreed. The provision is not intended for situations where a member leaves one employer and joins another on a reduced rate of pay without an agreement between employers.

**Eligibility criteria:**

To be eligible you must:

* be a member of the 1995 Section or have a final salary link to 1995 Section pension benefits
* have stepped down to a role where your new or remaining duties are less demanding and carry less responsibility than your previous duties (as confirmed by your employer(s))
* have a reduction in pensionable pay of at least 10% for a period of at least one year, beginning with the first pay day on which the reduced pensionable pay was paid (as verified by your employer(s))
* not have had any other reduction in pensionable pay in the 12-month period before you stepped down (as verified by your employer(s))
* have applied after 12 months, but within 15 months, of your pensionable pay being reduced
* have reached your minimum pension age in the 1995 Section (further information about minimum pension age can be found in our Member Guide)
* have attained at least two years qualifying membership within the NHS Pension Scheme at the time you step down
* have not previously protected your pensionable pay under the voluntary protection of pay arrangements

You do not need to apply for voluntary protection of pay where a change in duties following a period of ill health results in a reduction of pay, instead you can apply for protection of pay (through no fault of your own).

You can only have one accepted request for voluntary protection of pay but this provision is still available when protection of pay (through no fault of your own) has already been accepted for an earlier period of membership.

**General information relevant to both protection of pay and voluntary protection of pay**

**How to make an application**

You should complete the request to protect pensionable pay (SM R9 App) form which is available on our website and send to your employer. Please make sure you have completed all relevant detail before sending to your employer (not to NHS Pensions). Your employer will provide the additional information we require before sending the application to NHS Pensions.

If you have suffered a reduction in pay either between employers due to redundancy or where you have voluntary stepped down between employers, please send the form to the earlier employer. Once we have received your application from them, we will then contact your current employer to verify that protection of pay applies.

Your employer will let you know if your application has been accepted.

**You do not need to apply to protect pay if:**

You are only reducing your hours and not your hourly rate of pay. This is because we always use the whole time equivalent pay when calculating retirement benefits for the 1995/2008 Scheme.

You are a practitioner. Protection of pay is not relevant for 1995/2008 Scheme practitioner employment as pension benefits are based on their earnings throughout their career and revalued. This is known as a career average revalued earnings (CARE) pension which has similarities to the 2015 Scheme.

**How your pension is calculated if an application to protect pay is accepted**

Membership in the 1995 or 2008 Sections

When you retire, if you have protected and non-protected periods in the 1995 or 2008 Section, separate pensions will be calculated for each period. Benefits for the protected period will be calculated using your protected pay, plus cost of living increases. Benefits for non-protected periods will be based on your pay at leaving or retirement. The benefits for all periods are then added together.

For any protected period, we will check to see if calculating all your 1995/2008 Section benefits using your pay\* at retirement will result in greater benefits than calculations using your protected pay. Your benefits will be based on the method that is most beneficial for you.

2015 Scheme members with a final salary link to their 1995/2008 Section benefits

If pay is protected after moving to the 2015 Scheme and where a ‘final salary link’ applies, when you retire we will calculate your 1995/2008 Section benefits using the protected pay plus cost of living increases.

We will then compare this with a calculation of your 1995/2008 Section benefits, based on your pay\* at retirement (or when your final salary link ceases to apply, if earlier).

The 1995/2008 benefits you receive will be based on the calculation that is most beneficial for you.

\*1995 Section membership - The best of the last three years of pensionable pay.

\*2008 Section membership - The reckonable pay, which is an average of the best three consecutive years pensionable pay in the last 10 years