Policy 20: Employment remuneration and Pensions

Last updated by: SH, JH, RS

Links to policies: 79, 57

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1. Introduction

2. Wages and Salaries

i) Staff are employed under contracts of employment and are paid in compliance with PAYE/NIC regulations;

ii) Salaries are determined within the budget-making process (Policy 79);

iii) Job evaluation exercises will take place when required to ensure that staff are fairly remunerated;

iii) Salary levels are based on levels of responsibility and similar positions will be similarly graded across, whether the post in question is funded by an outside contract or by core funding;

iv) AUKY is following government guidelines and pays the National Living Wage, in increments, to all staff;

v) Salaries are recorded on AUKY’s salaries schedule, held by the Finance Officer and authorised by the Chief Officer (CO);

vi) Prior to making salary arrangements, the Finance Officer verifies employee details via the Statement of Particulars of Employment (Policy 57);

vii) Salaries are paid monthly on the last Thursday of any month except for December when they are paid before the Christmas holiday;

viii) Salaries are compiled using the Sage Payroll computerised package and paid into staff bank/building society accounts via BACS;

ix) The Finance Officer is responsible for salaries input and maintains tax, NI and pension records;

x) Records are kept in a separate place from HR records;

xi) Salary payment advice is made by standard printed form forwarded to, or sent by e-mail to, each employee in accordance with each employee’s stated wish;

xii) Cash or cheque payments are avoided wherever possible. Such payments are made by the Finance Officer and specifically authorised by the CO;

xiii) The salaries procedure is checked by the Honorary Treasurer every quarter.

3. Salary increases

i) Annual increases in staff salaries will be guided (when funds are available), by the average contract inflation increases with AUKY’s statutory partners;
ii) All salary increases are dependent upon overall financial constraints within AUKY;

iii) Even in the event of job evaluation exercises indicating an appropriate salary increase, this will still depend on AUKY’s ability to fund any such increase;

iv) In the event of a financial windfall, a salary increase across all staff would be implemented if:

- The amount received is sufficient to cover all grades of staff; and
- Is sustainable through investment.

3. Pensions

i) Before April 1st 2014:

- All staff were entitled to be part of the AUKY pension scheme at a rate of 5% employers’ and employees’ contributions;
- This benefit became available after one year of service;
- The level of pension contribution was determined and reviewed by the Board of Trustees.

ii) From April 1st 2014:

- Those employees already in the current Group Personal pension plan through Illingworths Insurance Brokers:
  - Participate in a 5%/5% employer/employee contribution scheme;
  - Will be able to continue at the same level of contributions;
  - Will have those pensions honoured;
  - Are also entitled to contribute to the new auto enrolment scheme which commenced in May 2014 with NEST;
  - Note: This scheme will cease completely on the retirement or resignation of the last employee involved in it.
- A government initiative, regulated by HMRC:
  - Requires a pension to be provided for all eligible staff;
  - Entitles all eligible staff to pay into an auto-enrolment pension scheme as defined by HMRC and detailed in their contract of employment;
  - Enables AUKY to invite any staff member to contribute if they wish;
- AUKY is paying 1% employers' contribution initially, which will rise according to legislation;

iii) Pension arrangements are managed via the Sage system.

- From 2014 to 2017 AUKY will gradually increase contributions in accordance with
HMRC regulations, rising to a total contribution of a minimum of 7%.