



Ministry
of Defence



DE&S 2020/21 Reward Eligibility Guidance

Amdt 2

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Defence Equipment & Support

DE&S 2020/21 Reward Eligibility Guidance

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Amendment 1 - Correction to eligibility date in Section 6.1 (New Starters) to be coherent with correct date shown in Section 4b (Eligibility). Dates added to Sect 6.11 (Promotion) to aid clarity.

Amendment 2 - all sections updated to reflect agreed approach for 2020/21.

1. Our Approach

DE&S aims to recognise the important role everyone plays in the success of our organisation. Individual contribution is reflected through end of year performance ratings and rewarded through potential salary increases and the performance award.

In line with the Spending Review announcements made by the Chancellor of the Exchequer - The Rt Hon Rishi Sunak MP and the communication issued by Government Chief People Officer - Rupert McNeil in November 2020, a salary increase of £250 will only be paid to eligible employees earning less than £24,000, as at 31 March 2021, with tapered increases for those paid up to £24,249 to avoid being overtaken. Performance Awards can still be paid.

The purpose of this document is to explain eligibility criteria so employees can determine how their specific personal circumstances might impact on any final pay and performance award.

The eligibility principles have not changed since Pay 20.

2. Who does this guidance cover?

This guidance covers:

- Civilian employees of DE&S including those on probation, those in-scope for the Industrial Team Performance Award and the SLG;
- Fixed Term Appointees (FTAs);
- Graduates and Apprentices.

This guidance does not cover the following populations:

- Contractors (not covered by DE&S performance management policy);
- Employees subject to externally negotiated pay arrangements e.g. Agenda for Change (covered by own pay arrangements through Agenda for Change);
- Service Personnel (not covered by DE&S performance management policy);
- Employees on Loans or Secondments into or out of DE&S (please refer to the terms and conditions outlined in the employee's loan or secondment agreement);
- Agency workers (please refer to the relevant employer);
- Those on specific contractual terms.

SDA will issue a separate reward guidance document to their employees. The current eligibility rules are, however, identical as published here for DE&S employees.

3. Principles of the Performance Award

The Performance Award is designed to incentivise individual performance and organisational delivery during the performance year 1 April 20 to 31 March 21 and will be based on the organisation that employees are deployed into as at 31 March 2021.

All Performance Awards are an annual non-consolidated, non-pensionable payment awarded to eligible employees. All Performance Awards are non-contractual and do not form part of the terms and conditions of employment. DE&S may at any time alter, amend, or cease all or any of the provisions of the Performance Award guidance. In the event of any dispute or disagreement as to the interpretation of the Performance Award scheme, the decision of DE&S Executive Committee ("ExCo") is final.

Main Performance Award

The Award amounts will be communicated in the form of a percentage of employees' basic salary, as at 31 March 2021. The percentage amount will be determined by an employee's level, performance rating and organisational performance (OGSM).

Industrial Team Performance Award

The Award will be communicated as a whole £ amount. The Award will be determined on the extent to which each site meets its Key Performance Indicators (KPIs). Each geographical site or business area has its own KPIs to reflect the individual nature of the work completed at each location. The KPIs and targets will be communicated to in-scope employees at each site.

4. How Salary Increases are Determined

The amount of money allocated to fund salary increases (the "pay award pot") will be determined annually. The size of the pay award pot will typically depend on external factors such as inflation, employment rates, and National Living Wage movement. It will also depend on overall movement of salaries, as informed by market pay data and affordability. Although DE&S has some additional freedoms in relation to pay, Civil Service guidance and frameworks must also be adhered to when determining the annual pay award pot.

For 2021, in line with the Spending Review announcements made by the Chancellor of the Exchequer - The Rt Hon Rishi Sunak MP and the communication issued by Government Chief People Officer - Rupert McNeil in November 2020, a salary increase of £250 will be paid to eligible employees earning less than £24,000. An increase up to £249 will be given to employees earning between £24,000 and £24,249, who will otherwise be overtaken.

An employee's substantive base salary as at **31 March 2021** will be used to determine if salary is less than £24,249. This excludes any overtime, or other allowances, including Temporary Assignment to a Higher Level (TAHL).

The pay award pot and how it is distributed is approved by the DE&S People Committee and Executive Committee every year. In the event of any dispute or disagreement as to the interpretation of the pay award, the decision of the DE&S Executive Committee is final.

For 2021 there is not a "standard salary increase".

5. Eligibility

In order to be eligible for a salary increase and the Performance Award scheme, including the Industrial Team Performance Award, all the following must apply:

- a) Employees must be employed by DE&S as at 31 March 2021. They must not have given their notice to resign, or already left, on 31 March 2021. The only exception is if an employee leaves for one of the eligible reasons set out in the **Eligible Leavers** section (8.5).
- b) Employees must have been employed for at least 60 working days in the performance year to be eligible for a Performance Award. Those joining DE&S **on or after 8 January 2021** will **not** be eligible.

- c) Employees must have submitted a Performance Appraisal Review (PAR) and achieved a performance outcome of 1, 2 or 3 in the performance year 2020/21. Employees with a performance outcome of 4, and earning less than £24,249, will be eligible for a salary increase only. If an employee has been out of the business for an extended period, their Primary Delivery Manager will work with them to submit a PAR – please refer to the [Performance Policy](#).

Employees who meet points 5a, 5b and 5c above will be referred to as “eligible employees” in this guidance document.

6. Performance Award Structure

Performance Awards are calculated as a percentage of base salary as at **31 March 2021**. This excludes any overtime or allowances, including Temporary Assignment to a Higher Level (TAHL).

The performance year runs from 1 April 2020 to 31 March 2021 (“the performance year”). Performance Awards are paid subject to the deduction of income tax under PAYE and National Insurance contributions, and any other required deductions. Performance award percentages are shown in the table below:

	Rating 5	Rating 4	Rating 3	Rating 2	Rating 1
Level 5	0.0%	0.0%	4.5%	6.8%	9.0%
Level 4	0.0%	0.0%	3.3%	5.0%	6.6%
Level 3	0.0%	0.0%	2.9%	4.3%	5.7%
Levels 1&2	0.0%	0.0%	2.4%	3.6%	4.8%

7. Industrial Team Performance Award

The table below shows the performance award cash amounts for eligible staff at each site / group of sites with the associated KPI outcome. The final award amount will be the same for employees who achieve a 2020/21 performance rating of 1, 2 or 3. The performance rating grants eligibility, but a higher performance rating does not increase the award amount.

Team	Maximum Award	KPI	Actual Award
BFPO	£780	99.14%	£773
Defence Munitions	£780	95.12%	£742
Fuels	£780	95.88%	£748
Ships	£780	97.48%	£760

7.1 Who does the Team Performance Award cover?

In scope are Permanent or FTA civilian Administrator/Specialist (AS) Level 1 employees who:

- work in a facility where processing, assembly or production is carried out either by an automated system, by workers or a combination of both; or
- are former Skill Zone grades (who have not subsequently gained promotion); or

- work as a Postal/Mail Operative with British Forces Post Office (BFPO);
- **and** work in one of the following success profiles:

ILCWP1 - Cmplx Wpns,GE inc N Guns AS	ILGDR1 - Courier Escort Driver AS	ILGEM1 - Engineering Maintenance AS
ILGMP1 - WOME Logistics Process Lead AS	ILGMS1 - WOME Logistics Process Op AS	ILGPO1 - Postal Mail Operator AS
ILGWA1 - Cmplx Wpns Process inc Guns AS	ILGWO1 - Warehouse Operations AS	ILGWP1 - Complex Wpns Processing AS

7.2 Process for Approving Site KPI Scores

KPIs will be specific for each site or business area to account for the specific work completed at each location. Sites covered by the Team Performance Award are:

- DM Beith
- DM Crombie
- DM Glen Douglas
- DM Gosport
- DM Kineton
- DM Longtown
- DM Plymouth
- LDOC West Moors
- BFPO (all BFPO locations)
- MSS – SSETC Portsmouth

The KPIs have been agreed and approved by Director HR, Director Generals (Land and Ships), DE&S Finance Director and DE&S CEO. The KPIs are equally weighted, meaning they will all be measured to the same level of importance. The final decision on the achievement of the KPIs is held by the relevant DG.

7.3 How the Team Award has been calculated

Two example calculations are set out below, however the General Rules section of this guidance explains how calculations will be made if any special circumstances apply to employees:

Example A

- The Team Performance Award for 100% achievement of KPIs for 2020/21 is £780
- The site KPIs have been measured during the performance year, with scores varying between 98% and 100%
- The final average score for the site KPIs is agreed by DG Land as 100%. Therefore, the final payment to all eligible employees is £780 (pro rata for part time employees)

Example B

- The Team Performance Award for 100% achievement of KPIs for 2020/21 is £780
- The site KPIs have been measured during the performance year, with scores varying between 88% and 92%.
- The final average score for the site KPIs is agreed by DG Land as 90%. Therefore, the final payment to all eligible employees is 90% of £780 = £702 (pro rata for part time employees)

8. General Rules

- 2021 is not a leap year; therefore the 2020/21 performance year has **365 calendar days**.
- Awards will be pro-rated as required, which means making an adjustment if employees have worked less than full-time hours or have been employed for less than a full performance year.

8.1 New Starters during the performance year

This includes employees who have joined DE&S from the military, from an external organisation, from the MOD, or Other Government Department / Trading Fund*.

* "Other Government Department" (OGD) refers to Crown Non-Departmental Public Bodies (NDPB) and non-Crown NDPB but only if the body is accredited by the Civil Service Commission under the Cabinet Office sponsored NDPB Accreditation Scheme. The Northern Ireland Civil Service is not regarded as an OGD.

New starters who **have been employed for at least 60 working days** in the performance year may be eligible to receive a Performance Award pro-rated to their start date. i.e. employees must have commenced employment **on or before 7 January 2021**, and a salary increase

New starters who **have not been employed for the required 60 working days** in the performance year will not be eligible for a Performance Award or salary increase

Example A Proration calculation for new starter:

- Employee A starts on 7 November 2020, and therefore has been employed for more than 60 working days in the performance year and is eligible.
- Any final annual performance award for this employee will be prorated based on the proportion of calendar days out of 365 that the Employee has been employed for, in this case $145 \text{ days} \div 365 = 39.73\%$.

Example B Non-Eligibility calculation for new starter:

- Employee B starts on 3 February 2021, which is less than 60 working days in the performance year.
- They are not eligible for a PAR and therefore not eligible for a salary increase or performance award.

8.2 Part time employees

Eligible employees who work part time hours, will have their Performance Award calculated in line with their actual salary as a proportion of the Full Time Equivalent (FTE) salary defined by their contracted hours.

Industrial Team Performance Awards will be calculated as proportion of an employee's contracted hours against the FTE of 37 hours

Example calculation for part time employee:

- Employee has worked the full performance year
- Employee works 24 hours per week
- Full-time equivalent salary = £47,500
- Employee Actual Part time (actual) salary is = £30,811

Example calculation for industrial team award part time employee:

- Employee has worked the full performance year
- Employee works 24 hours per week
- Full-time performance award = £750
- Part-time award = $24 \div 37 = 64.86\%$
- $£750 \times 64.86\% = £486$

8.3 Change in working hours during the performance year

Eligible employees who have changed their working hours during the year will have their Performance Award calculated as a proportion of the hours worked during the year.

Example calculation for change of hours during the year

- Employee has worked the full performance year
- Employee works 30 hours per week from 1 April 2020
- Then employee works 24 hours per week from 2 November 2020
- $01/04/2020 - 01/11/2020 = 215$ days
- $02/11/2020 - 31/03/2021 = 150$ days
- $215 \div 365 \times 30 \div 37 = 47.76\%$
- $150 \div 365 \times 24 \div 37 = 26.66\%$
- Total award = $47.76\% + 26.66\% = 74.42\%$

8.4 Leavers – Those Resigning from or Dismissed from the Civil Service

Unless covered by the exceptions in section 8.5, if an employee has given their notice to resign, already left, or been dismissed from DE&S on or before 31 March 2021 they are not eligible for a salary increase or Performance Award.

Example A calculation for employees who resign:

- Employee A resigned and their last day of service was 6 March 2021
- They are not a DE&S employee on 31 March 2021
- They are not eligible for a salary increase or performance award

Example B calculation for employees who resign:

- Employee B hands in their notice on 29 March 2021
- Their last day of service is 30 April 2021
- They are a DE&S employee on 31 March 2021 but under notice to leave
- They are not eligible for a salary increase or performance award

Example C calculation for employees who resign:

- Employee C hands in their notice on 5 April 2021
- Their last day of service is 5 May 2021
- They are a DE&S employee on 31 March 2021 and not under notice to leave
- They are eligible for a salary increase and performance award

8.5 Eligible External Leavers

Employees who leave for the following reasons on or before 31 March 2021 will be eligible for a Performance Award pro-rated to their leave date:

- Resignation with a Civil Service pension including ill-health retirement;
- Redundancy (including Voluntary Exit Scheme);
- Death in service;
- End of fixed term appointment;
- Employees who leave as a result of a spouse/partner/civil partner serving full-time in the Armed Forces being assigned such that the employee can no longer continue their employment in DE&S.

8.6 Leavers or Transfers Internal to the Civil Service

This section refers to individual employees who leave DE&S and transfer into another Civil Service department.

For employees who transfer as part of a bulk move through organisational change, their salary increase and Performance Award eligibility will be confirmed as part of that transfer process.

Individual employees who have left DE&S to transfer into MOD, another Government Department or Trading Fund* and have **not completed the full performance year** (1 April 2020 to 31 March 2021) will not be eligible for a salary increase or Performance Award. However, they may be eligible for a salary increase or Performance Award from their new department.

Employees who have left DE&S to transfer into MOD, another Government Department or Trading Fund* and **have completed a full performance year** (1 April 2020 to 31 March 2021) will be eligible for a Performance Award. They will only be eligible for a salary increase if still employed by DE&S on 1 April 2021.

* See Sect 8.1 above

Example A calculation for internal leavers/transfer:

- Employee A transferred to MOD Main on 1 January 2021
- They have not completed the full performance year
- They are not eligible for a salary increase and performance award

Example B calculation for internal leavers/transfer:

- Employee B transferred to MOD Main on 1 April 2021
- They have completed the full performance year
- They are eligible for a performance award but not a salary increase

Example C calculation for internal leavers/transfer:

- Employee C transferred to MOD Main on 5 April 2021
- They have completed the full performance year
- They are eligible for a salary increase and performance award

8.7 Transfers between DE&S and SDA

Employees who have transferred between DE&S and SDA will receive a full Performance Award based on the organisation they are deployed into as at 31 March 2021.

8.8 Loans and Secondments to Other Government Departments*

As per the Internal Resourcing policy, DE&S employees on Secondment or Loan to another organisation will have terms drawn up between the parent organisation, the host organisation and the employee. These terms will determine on a case by case basis whether they are eligible for a salary increase and/or performance awards.

* See Sect 8.1 above

8.9 Transfer of Undertaking Protection of Employment (TUPE)

Employees leaving DE&S due to TUPE transfer will be communicated to on how their Performance Awards will be treated. This will be agreed between DE&S and the importing organisation at the point of TUPE.

Employees who are transferred into DE&S due to TUPE transfer will be communicated to on how their Performance Awards will be treated. This will be agreed between DE&S and the exporting organisation at the point of TUPE.

8.10 Regrading following a Graduate or Apprenticeship Scheme

Employees who are on a Graduate or Apprentice scheme as at 31 March 2021 are not eligible for a Performance Award. They may be eligible for a salary increase if earning less than £24,249.

However, eligible employees who have transferred into a Graduate or Apprentice scheme from another role, and who have completed at least 60 days in that previous role during the performance year, will be eligible for a Performance Award pro-rated to the time worked in their previous role.

Employees who have successfully completed their Graduate or Apprentice scheme and regraded to a Level 1 or Level 2 success profile on or before 7 January 2021 will be eligible for a performance award, pro-rated from the date of regrading.

Employees who have successfully completed their Graduate or Apprentice scheme and regraded to a Level 1 or Level 2 success profile on or after 8 January 2021 will not be eligible for a pro-rated performance award.

Example A calculation for Graduates and Apprentices

- Employee A is on an apprentice scheme on 31 March 2021, and they have not been employed in another DE&S role during the performance year.
- They are not eligible for a performance award but are eligible for a salary increase

Example B calculation for those moving into a Graduate or Apprenticeship Scheme

- Employee B is on a graduate scheme on 31 March 2021
- They were previously in a Level 1 role from 1 April 2020 to 31 August 2020 and moved onto a Graduate scheme on 1 Sept 2020
- Employee works full time hours
- Any final annual performance award for this employee will be prorated based on the proportion of calendar days out of 365 that the Employee was employed prior to moving to the Graduate Scheme, in this case $153 \text{ days} \div 365 = 41.92\%$.
- In addition the salary used within the calculation of the pro-rated award would be taken as at 31 August 2020 (their last day before joining the graduate scheme).

Example C calculation for those regrading from a Graduate or Apprenticeship Scheme

- Employee C completed their apprentice scheme and regraded into a Level 1 role on 7 November 2020
- They are eligible for a salary increase
- Any final annual performance award for this employee will be prorated based on the proportion of calendar days out of 365 that the Employee has been in their Level 1 role for, in this case $145 \text{ days} \div 365 = 39.73\%$.

Example D calculation for those regrading from a Graduate or Apprenticeship Scheme

- Employee D completed their apprentice scheme and regraded into a Level 1 role on 7 February 2021
- They are not eligible for a performance award but are eligible for a salary increase

8.11 Employees on Temporary Assignment at a Higher Level (TAHL)

Eligible employees who are, or have been, on TAHL during the performance year will have their Performance Award calculated using their substantive level and substantive annual salary as at 31 March 2021, and their performance rating.

8.12 Promotion

Eligible employees who are promoted on or before 7 January 2021 and have therefore completed 60 working days or more at the higher level will have completed a PAR at the higher level. They will have their Performance Award based on their performance rating for the year, their annual salary as at 31 March 2021 and the percentage opportunity for the higher level.

Eligible employees who are promoted on or after 8 January 2021 and have therefore not completed 60 working days at the higher level, will have their Performance Award calculated based on their performance rating for the year, their annual salary as at 31 March 2021 and the percentage opportunity for the pre-promotion level.

Example A calculation for promotion on or before 7 January 2021

- Employee A is promoted on 4 January 2021 from Level 2 to Level 3 and completed 60 working days in the higher level
- Performance award is based on Level 3 salary, Level 3 percentage and Level 3 performance rating

Example B calculation for promotion on or after 8 January 2021

- Employee B is promoted on 11 January 2021 from Level 2 to Level 3 and not completed 60 working days in the higher level
- Performance award is based on Level 3 salary, Level 2 percentage and Level 2 performance rating

8.13 Permanent Move to a Lower Level due to Partial Retirement

Eligible employees who take partial retirement and permanently move to a lower level will have their performance award based on the number of days worked at the higher level and lower level

Example A calculation for partial retirement

- Employee A permanently moves from Level 3 to Level 2 due to partial retirement on 1 September 2020
- They have completed 152 days as a Level 3 and 213 days as a Level 2
- $152 \div 365 = 41.64\%$ based on percentage for Level 3
- $213 \div 365 = 58.36\%$ based on percentage for Level 2

9 Periods of Leave

9.1 Maternity Leave, Adoption Leave or Shared Parental Leave

Eligible employees who have taken a period of maternity, adoption leave or shared parental leave will receive a full Performance Award for the performance year if they have completed 60 working days. For employees who have taken maternity leave, the 14 days of compulsory maternity leave is included and only 46 working days need to be completed.

If 60 working days have not been completed they will not be eligible for an award.

Example A calculation for employees on maternity leave

- Employee A has been on maternity leave since 1 October 2020
- They have worked more than 46 days in the performance year
- They are eligible for a full performance award and salary increase

Example B calculation for employees on maternity leave

- Employee B was on maternity leave from 1 June 2020 to 28 February 2021
- They have worked more than 46 days in the performance year (a combination of before and after the period of maternity leave)
- They are eligible for a full performance award and salary increase

Example C calculation for employees on maternity leave

- Employee C has been on maternity leave from 1 May 2020 until 31 March 2021
- They have not worked for 46 days in the performance year
- They are not eligible for a performance award but are eligible for a salary increase

9.2 Sickness Absence

Eligible employees who have had a period of sick leave and completed 60 working days will receive a full Performance Award for the performance year.

If 60 working days have not been completed they will not be eligible for an award.

Example A calculation for long term sickness leave:

- Employee A has been absent through sick leave since 1 October 2020
- They have worked more than 60 days in the performance year
- They are eligible for a full performance award and salary increase

Example B calculation for long term sickness leave:

- Employee B was absent through sick leave from 1 June 2020 to 28 February 2021
- They have worked more than 60 days in the performance year (a combination of before and after the period of sick leave)
- They are eligible for a full performance award and salary increase

Example C calculation for long term sickness leave:

- Employee C has been on sick leave since 1 May 2020
- They have not worked for 60 days in the performance year
- They are not eligible for a performance award but are eligible for a salary increase

9.3 Extended Special Unpaid Leave (ExSUL)- International Organisations (NETMA, OCCAR)

Eligible employees who have a period of ExSUL for a transfer to an international organisation will have their Performance Award pro-rated to reflect the period they were working in DE&S during the performance year. Any salary increase due will be paid on return to DE&S.

Example A calculation for transfer of service:

- Employee A has been on secondment to NETMA since 1 October 2020
- Employee works full time hours

- Performance award is prorated based on the number of days worked for DE&S, in this case $183 \text{ days} \div 365 = 50.14\%$.

Example B calculation for transfer of service

- Employee B has been on secondment to OCCAR since 1 April 2020
- They have not completed 60 working days in the performance year
- They have not completed 60 days in the performance year
- They are not eligible for a performance award

Example C calculation for transfer of service

- Employee C returns from secondment to NETMA on 1 December 2020
- Employee works full time hours
- Performance award is prorated based on the number of days worked for DE&S, in this case $121 \text{ days} \div 365 = 33.15\%$

9.4 Support to Operations (“S2O”)

Eligible employees who have been on Support to Operations “S2O” will have their Performance Award pro-rated to reflect the period they were working in DE&S during the performance year. Any salary increase due will be paid on return to DE&S.

Example A calculation for Support to Operations:

- Employee A has been on S2O since 1 October 2020
- Employee works full time hours
- Performance award is prorated based on the number of days worked for DE&S for, in this case $183 \text{ days} \div 365 = 50.14\%$

Example B calculation for Support to Operations

- Employee B has been on S2O since 1 April 2020
- They have not completed 60 days in the performance year
- They are not eligible for a performance award

Example C calculation for Support to Operations

- Employee C returns from S2O on 1 December 2020
- Employee works full time hours
- Performance award will be prorated based on the number of days worked for DE&S, in this case $121 \text{ days} \div 365 = 33.15\%$

10 Performance Improvement & Disciplinary

Refer to the Performance Management policy for guidance on managing employees who are subject to the performance improvement process and/or a formal disciplinary penalty. A disciplinary penalty is defined as a: first written warning; final written warning; dismissal with notice; or summary dismissal.

Employees on suspension pending a disciplinary hearing will have any performance award withheld until the outcome of their disciplinary case is known.

Employees who are dismissed from DE&S will not be eligible for a performance award.

11 Pay Considerations

11.1 Effect of Pay Award on Pension Contributions

The employee contribution bandings for the Civil Service Pension Scheme from 1 April 2021 can be found in the below table:

Employee Contribution Bandings	Member Contribution Rate
£0 - £23,100	4.60%
£23,101 - £56,000	5.45%
£56,001 - £150,000	7.35%
£150,001 and higher	8.05%

When the pay award is implemented, any salary increase will be backdated to 1 April 2021. If an employee's pay is just below the next salary banding, they may find they fall into a higher contribution banding and as such, pay a higher percentage pension contribution than they are used to.

11.2 Effect of Pay Award on PAYE income tax

If an employee is eligible for a performance award and / or salary increase, their earnings for the month in which it is paid will be higher than normal due to payment of any backdated pay increase and performance award.

They may find that due to their increased earnings in the month in which the performance award is paid, they are moved into a higher tax bracket e.g. from a 20% to 40%. This is in line with HMRC regulations, that if arrears are paid in one lump sum then PAYE is due at the time of payment.

If this is the case, it is likely that they will pay less tax in the following month and will return to 'normal' after that. If their new salary moves them into a higher tax bracket, then they will be taxed at the new rate going forward.

11.3 Effect of Pay Award on Student Loans

Student loan repayments are taken from salary during any pay period where earnings before tax exceed the monthly threshold. Therefore, if an employee is eligible for a performance award and/or salary increase, their earnings for the month in which it is paid will be higher than normal due to payment of any backdated pay increase and performance award, and as such, they are likely to repay more of their student loan. For more information on student loan repayment, please visit their website.

11.4 National Living Wage (NLW)

National Living Wage increases are payable with effect from 1 April 2021 and were implemented in April. As the pay award is based on an employee's salary as at 31 March 2021, this does not include any NLW increase. The NLW has increased considerably this year and some employees may find the NLW increase is more favourable than their pay award increase. In this case, no further increase is due.

Example A

Salary as at 31 March = £19,044

Salary as at 1 April = £19,460

Salary increase = £250

£19,044 + £250 = £19,294

Salary remains £19,460

Example B

Salary as at 31 March = £19,400

Salary as at 1 April = £19,460

Salary increase = £250

£19,400 + £250 = £19,650

Salary increases to £19,650

12 Questions and Answers

1: Why must I have been employed for 60 working days in the performance year?

60 days is deemed to be the minimum period to demonstrate a contribution to DE&S, and to be able to rate performance effectively. With the exception of maternity, adoption, shared parental leave, sick absence and Support to Operations, the 60 days worked must be in **one continuous period** during the performance year. If you choose to leave during the performance year, and then return later in the same performance year, your start date will be treated as the starting date of your second period of employment; the time spent working before you left will not be included.

2: Why am I not eligible for a performance award if I haven't worked for 60 days because I've been on maternity, adoption or shared parental leave?

You haven't worked for DE&S for 60 days in the performance year and are not eligible for a PAR. You therefore won't have a performance rating and are not eligible for a performance award. You will however be eligible for a salary increase.

3: Why do I not get an award if I resign from DE&S before the end of the performance year?

Performance Awards are designed to incentivise strong performance through the year, and also reward those who have remained employed with DE&S. As such, if you decide to resign from DE&S before 1 April 2021 and are not covered by the exceptions in Sect 8.5 above, you will not be eligible to receive the performance award. This is standard practice in industry.

4: Why does my Performance Award not take my period of TAHL into account?

TAHL is meant to be for a maximum of 6 months only. This would mean that you have worked an equal time in both levels during the performance year. Even in cases where an extension has been approved and you may have worked in the higher level for most of the performance year, to ensure consistency, your performance award will be based on your substantive level and salary.

5: Why is the industrial team award amount the same for those who achieve a rating of 1, 2 or 3?

The purpose of the scheme is to incentivise the team achievement of KPIs. Therefore, it was decided that the most suitable approach is to use performance rating as an eligibility criterion, rather than as a multiplier. So, employees who achieve a rating of either 1, 2, or 3 will all receive the same (non-consolidated) award amount.

6: Why are the KPIs assigned by site, and not by different roles?

The measurement of KPIs is more straightforward by site, rather than by role. This is due to the nature of the work completed and the potential to transfer work where demand requires it.

7: How were the KPIs determined for each site?

KPIs were determined based on the primary activities completed at each site, and in accordance with existing SLAs agreed with customers. The organisations performance is assessed on a monthly basis through performance reviews and the KPIs merely represent a sub-set of the overarching KPIs.

8: How has DE&S decided which roles are in-scope for the Team Performance Award?

The team performance award is one element of a wider review that will review the way in which DE&S manage and incentivise those that undertake activities in facilities where processing, assembly or production is carried in a manual/hands-on nature. It is considered that much of the work undertaken at these facilities are very team-focussed (i.e. each person's output depends on every other member of the team) and consequently those success profiles that detail former skill zone or mail operative activity have been identified as roles within scope.

9: What happens to my Performance Award if I have been on Special Paid Leave for part of the year due to Covid-19 impacts?




Your Performance Award will be calculated on the same basis as employees who have been in post i.e. if you have worked for a minimum of 60 working days in the performance year, you should receive a PAR and so be eligible for a performance award. If you have not been actively working for 60 days or more in the performance year you will be ineligible for a performance award.

10: How can I get more information on how my personal circumstances impact my Performance Award?

The first step is to review this guidance and review the examples for the circumstances that apply to you. If you're still unsure, please speak to your Delivery Manager. If they are still unsure of the answer, they should contact the HR Hub at DESHR-Hub@mod.gov.uk

13. Document Control

Document Information	
Owning Function / Team:	HR – Reward Team
Filename:	2020/21 Reward - Guidance
Referenced By:	DE&S Reward Policy and Procedure
Version:	See table below

Version Number	Date	Revision History	Revised Pages	Authorised By
1.0	19.01.2021	First Version	N/A	 (Head of Performance & Reward)
1.1	28.01.2021	Amdt 1	Sect 6.1, Sect 6.11	 (Head of Performance & Reward)
1.2	27.05.2021	Amdt 2	All sections updated to reflect agreed approach for 2020/21	 (Head of Performance & Reward)

DE&S will review this Guidance each year, or when changes to legislation or best practice dictate.
