



Ministry
of Defence



DE&S 2019/20 Pay Award Guidance

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1 Introduction

This document sets out the DE&S 2019/20 Pay Award Guidance. It explains the eligibility criteria and is to be read in conjunction with the DE&S and SDA 2020 Best and Final Offer for Civilian Levels Below the SLG. For information regarding 2019/20 Performance Awards please refer to the 2019/20 Performance Award Guidance or the DE&S Team Performance Award Guidance (for in-scope industrial staff) documents as appropriate.

2 Our Approach

For this year, the DE&S approach to setting and reviewing basic pay is guided by the following factors:

- Overall Civil Service guidelines and obligations and pay levels
- Affordability
- The National Living Wage

3 Who does this guidance cover?

This guidance covers:

- Civilian employees of DE&S including those on probation;
- Fixed Term Appointees (FTAs); and
- Graduates and Apprentices.

This guidance does not cover:

- Contractors (*not covered by DE&S pay arrangements*);
- Employees subject to externally negotiated pay arrangements e.g. Agenda for Change (*covered by own pay arrangements*);
- Service Personnel (*covered by own pay arrangements*);
- 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.

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 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.

In previous years, the DE&S approach has been to determine salary increases using a matrix based on individual performance rating, and relative position of salary against the market for the role. However, due to the unique situation this year as a result of CV-19, it was not possible to complete the Performance cycle. Therefore, a flat salary increase of 2.25% will be paid to those who are eligible, as defined by this document.

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 DE&S Executive Committee is final.

DE&S also determine a “standard salary increase” which is for those on the Graduate or Apprenticeship schemes and also in certain other circumstances, as explained below. For 2020, the standard salary increase is 2.25%.

5 Eligibility

In order to be eligible for a salary increase, employees must have been employed for at least 60 working days in the performance year. Therefore, those joining DE&S **on or after 9 January 2020** will not be eligible for a 2020 pay increase.

Employees who meet this requirement will be referred to as “eligible employees” in this guidance document.

6 Salary Increase Payment and Communication

Salary increases are calculated as a percentage of substantive base salary as at **31 March 2020**. The salary used to calculate as at **31 March 2020** excludes any overtime, or other allowances.

Salary increases are expected to be paid on the last working day of July 2020, and they will be backdated to 1 April 2020. Salary increases and the backdated lump sum are paid subject to the deduction of income tax under PAYE and National Insurance contributions, and any other required deductions.

7 General Rules

7.1 New Starters

If an employee has joined DE&S from the military or an external organisation **before 9 January 2020**, they will be eligible for a 2020 salary increase.

If an employee has joined DE&S from the military or an external organisation **on or after 9 January 2020**, they have not completed 60 working days in DE&S. Therefore, they are not eligible for a 2020 salary increase.

If an employee has joined DE&S from MOD Main, another Government Department* or Trading Fund **before 9 January 2020**, they will be eligible for a 2020 salary increase.

If an employee has joined DE&S from MOD Main, another Government Department* or Trading Fund **on or after 9 January 2020**, they will receive the DE&S “standard salary increase” which is 2.25%. If the employee has already received a Civil Service salary increase relating to the same Performance year, they will not be eligible for a further increase. Civil Service rules state that Civil Servants may not receive more than one pay review per year (unless linked to promotion).

**Other Government Department refers to Crown Non-Departmental Public Bodies, and non-Crown Non-Departmental Public Bodies (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 considered as an OGD.*

Example A for new starter:

- Employee A starts on 2 December 2019 and has been employed for more than 60 working days in the performance year.
- They are eligible for a salary increase.

Example B for new starter:

- Employee B starts on 10 February 2020 and has not been employed for more than 60 working days in the performance year.
- They are not eligible for a salary increase.

Example C for new starter:

- Employee C joins DE&S from MOD Main on 20 January 2020 and has not been employed for more than 60 working days in the performance year.
- They are eligible for a standard salary increase.

7.2 Leavers – Those Resigning from or Dismissed from DE&S

If an employee has given their notice to resign, or they have already left DE&S **on or before 1 April 2020**, they are not eligible for a salary increase.

Employees who are dismissed from DE&S are not eligible for a salary increase, regardless of the date they are dismissed.

Example A for employees who resign:

- Employee A resigned and their last day of service is 6 March 2020.
- They are not employed by DE&S on 1 April 2020.
- They are not eligible for a salary increase.

Example B for employees who resign:

- Employee B resigned and their last day of service is 30 June 2020.
- They hand in their notice on 30 March 2020.
- They are under notice to leave DE&S on 1 April 2020.
- They are not eligible for a salary increase.

Example C for employees who resign:

- Employee C resigned and their last day of service is 30 June 2020.
- They hand in their notice on 30 May 2020.
- They are not under notice to leave DE&S on 1 April 2020.
- They are eligible for a salary increase.
- Arrears of salary for the period 1 April - 30 June will be paid on 31 July.

7.3 Leavers – Eligible Leavers on or after 1 April 2020

Employees who leave DE&S for the following reasons on or after 1 April 2020 will be eligible for a salary increase:

- 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.

Example A for eligible leaver:

- Employee A resigned with Civil Service pension and their last day of service is 26 April 2020
- They are eligible for a salary increase.

- Arrears of salary for the period 1 - 26 April will be paid on 31 July.

Example B for eligible leaver:

- Employee B is made redundant from DE&S. Their last day of service is 20 June 2020.
- They are eligible for a salary increase.
- Arrears of salary for the period 1 April - 20 June will be paid on 31 July.

7.4 Internal Leavers – Those leaving DE&S to transfer to MOD Main, another Government Department or Trading Fund

If an employee has left DE&S for MOD Main, another Government Department* or Trading Fund **up to and including 1 April 2020** they will not be eligible for a salary increase. However, they may be eligible for a salary increase from their new department.

If an employee has left DE&S for MOD Main, another Government Department* or Trading Fund **after 1 April 2020** they will be eligible for a salary increase. Please note that Civil Servants are only able to have one pay review in a 12-month period.

**Other Government Department refers to Crown Non-Departmental Public Bodies, and non-Crown Non-Departmental Public Bodies (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 considered as an OGD.*

Example A for internal leavers/transfer:

- Employee A transfers from DE&S to MOD Main on 1 January 2020.
- They are not eligible for a salary increase.

Example B for internal leavers/transfer:

- Employee B transfers from DE&S to an OGD on 1 April 2020.
- They are not eligible for a salary increase.

Example C for internal leavers/transfer:

- Employee C transfers from DE&S to MOD Main on 1 May 2020.
- They are eligible for a salary increase.
- Arrears of salary for the period 1 - 30 April will be paid with July pay.
- They will not be eligible for a MOD salary increase from 1 August.

7.5 Loans and Secondments to other Government Departments

As per the Internal Resourcing policy, DE&S employees on Secondment or Loan to another Government Department* 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 DE&S salary increase.

* *Other Government Department* refers to Crown Non-Departmental Public Bodies, and non-Crown Non-Departmental Public Bodies (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 considered as an OGD.

7.6 Transfer of Undertaking Protection of Employment (TUPE)

Employees **leaving DE&S** due to TUPE transfer will be communicated to on how their 2020 salary increase 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 2020 salary increase will be treated. This will be agreed between DE&S and the exporting organisation at the point of TUPE.

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

For employees whose **TAHL ended before 1 April 2020**, any salary increase will be applied to their substantive 31 March 2020 salary.

Employees who are **on TAHL as at 1 April 2020** will have their salary increase applied to their substantive 31 March 2020 salary. Their TAHL allowance will be recalculated with effect from 1 April 2020 to ensure they receive the higher of:

1. The minimum of the higher-level pay band; or
2. 10% of their uplifted (1 April 2020) salary.

The pay bands are shown in the Q&A section of this document for reference.

Example A for employees on TAHL:

- Employee A is a substantive Level 1 and is on TAHL to Level 2 on 1 April 2020.
- Their Level 1 salary is increased to £23,500.
- Their TAHL allowance will increase to £2,350, wef 1 April 2020.

Example B for employees on TAHL:

- Employee B is a substantive Level 1 and was on TAHL to Level 2 from 1 September 2019 to 29 February 2020.
- Their Level 1 salary is increased to £23,500.
- As TAHL is no longer being paid, their TAHL allowance will not increase.

Example C for employees on TAHL:

- Employee C is a substantive Level 2 and is on TAHL to Level 3 on 1 April 2020.
- Their Level 2 salary was £25,900.
- Their TAHL allowance was £4,100 (difference between minimum for Level 3 £30,000 and £25,900).

- Their Level 2 salary increases by 2.25% to £26,483
- Their TAHL allowance will reduce to £3,517 (difference between minimum for Level 3 £30,000 and £26,483), wef 1 April 2020.

7.8 Promotion

Eligible employees who were promoted **on or before 31 March 2020** will have their salary as at 31 March 2020 increased by 2.25%.

Eligible employees who were promoted **on or after 1 April 2020** will have their salary as at 31 March 2020 increased by 2.25%. Salary on promotion will then be reassessed, with effect from the date of promotion, to ensure they receive the higher of:

1. 85% of the advertised maximum for the position; or
2. a 10% increase of their uplifted (1 April 2020) salary.

Example A for employee promoted before 1 April:

- Employee A is promoted from Level 1 to Level 2 on 1 February 2020.
- Their salary increased to £29,580 on 1 February 2020.
- Their salary is increased by 2.25% wef 1 April 2020.

Example B for employee promoted on or after 1 April:

- Employee B is promoted from Level 1 to Level 2 on 20 April 2020.
- Their Level 1 salary was £24,600.
- Their Level 2 salary is £29,580 (85% of the advertised maximum was higher than 10% increase) from 20 April 2020.
- Their Level 1 salary is increased by 2.25% to £25,154 wef 1 April 2020.
- Their promotion pay is reassessed: £25,154 + 10% = £27,669; 85% of the advertised maximum £29,580 is still higher so their salary as a Level 2 remains £29,580.
- Arrears of pay for the period 1 - 19 April will be paid with July pay.

Example C for employee promoted on or after 1 April:

- Employee C was promoted from Level 1 to Level 2 on 20 April 2020.
- Their Level 1 salary was £24,600.
- Their Level 2 salary is £27,060 (10% increase was higher than 85% of the advertised maximum) from 20 April 2020.
- Their Level 1 salary is increased by 2.25% to £25,154 wef 1 April 2020.
- Their promotion pay is reassessed: £25,154 + 10% = £27,669; this is higher than 85% of the advertised maximum and their salary as a Level 2 increases to £27,669.
- Arrears for the period 1 - 19 April and 20 April - 30 June will be paid with July pay.

8 Periods of Leave

8.1 Maternity Leave, Adoption Leave or Shared Parental Leave

Employees who were on maternity/adoption/shared parental leave and did not work for DE&S for 60 working days during the performance year will be eligible for a 2.25% salary increase.

Please note that the first 14 days of maternity/adoption/shared parental leave will count towards the 60 days.

8.2 Sickness Absence

Employees who were absent through sick leave and did not work for DE&S for 60 working days during the performance year will be eligible for a 2.25% salary increase.

8.3 Extended Special Unpaid Leave - International Organisations (e.g. NETMA, OCCAR)

Employees who had a transfer of service into international organisations, and as a result did not work for DE&S for 60 working days during the performance year, will be eligible for the DE&S standard salary increase. This will be calculated and paid on their return to DE&S or 1 April 2020, whichever is the latter.

Employees who had a transfer of service into international organisations **before 1 April 2020** and worked for DE&S for 60 working days during the performance year prior to joining the international organisation will be eligible for a salary increase. This will be calculated and paid on their return to DE&S or 1 April 2020, whichever is the latter.

Employees who had a transfer of service into international organisations **on or after 1 April 2020** and worked for DE&S for 60 working days during the performance year prior to joining the international organisations will be eligible for a salary increase.

Example A for International Organisation Transfer:

- Employee A has been on secondment to NETMA since 1 October 2018.
- They have not worked for DE&S for 60 working days in the performance year.
- They are eligible for a 2.25% salary increase.
- This will be paid when they return to DE&S.

Example B for International Organisation Transfer:

- Employee B has been on secondment to OCCAR since 1 October 2019.
- They have worked for DE&S for 60 working days.
- Their salary increase is 2.25%.
- This will be paid when they return to DE&S.

Example C for International Organisation Transfer:

- Employee C has been on secondment to NETMA since 1 May 2020.
- They have worked for DE&S for 60 working days.

- Their salary increase is 2.25%.
- Arrears of salary for the period 1 - 30 April will be paid on 31 July.

8.4 Support to Operations (“S2O”)

Employees who have been on Support to Operations, and as a result did not work for DE&S for 60 working days during the performance year, will be eligible for the DE&S standard salary increase. This will be paid on their return to DE&S or 1 April 2020, whichever is the latter.

Employees who went on Support to Operations **before 1 April 2020** and worked for DE&S for 60 working days during the performance year, will be eligible for a salary increase. This will be paid on their return to DE&S or 1 April 2020, whichever is the latter.

Employees who went on Support to Operations **on or after 1 April 2020** and worked for DE&S for 60 working days during the performance year prior will be eligible for a salary increase. This will be paid in July, with arrears from 1 April to the date of transfer.

Example A for S2O:

- Employee A has been on S2O since 1 June 2019.
- They have not worked for DE&S for 60 working days in the performance year.
- They are eligible for a 2.25% salary increase.
- This will be paid when they return to DE&S.

Example B for S2O:

- Employee B has been on S2O since 1 October 2019.
- They have worked for DE&S for 60 working days.
- Their salary increase is 2.25%.
- This will be paid when they return to DE&S.

Example C for S2O:

- Employee C has been on S2O since 1 May 2020.
- They have worked for DE&S for 60 working days.
- Their salary increase is 2.25%.
- Arrears of salary for the period 1 - 30 April will be paid with July pay

8.5 Special Unpaid Leave (SUL) including Career Break

Employees who have been on SUL during the 2019/20 performance year and did not work for DE&S for 60 working days are not eligible for a salary increase.

Employees who have been on SUL during the 2019/20 performance year and worked for DE&S for 60 working days will be eligible for a salary increase.

9 Graduates and Apprentices

Employees who are on a Graduate or Apprentice scheme **as at 31 March 2020** will be eligible for the DE&S standard salary increase. This includes employees who have transferred onto a Graduate or Apprentice scheme from another role within DE&S during the performance year.

Please note the information in section 11.4 relating to National Living Wage.

Employees who have successfully completed a Graduate or Apprentice scheme **before 9 January 2020**, will be eligible for a salary increase.

Employees who have successfully completed a Graduate or Apprentice scheme **between 9 January and 31 March 2020** will be eligible for the DE&S standard salary increase.

Example A for Graduate/Apprentice:

- Employee A is on a Graduate/Apprentice scheme on 31 March 2020.
- They are eligible for a 2.25% salary increase.

Example B for Graduate/Apprentice:

- Employee B successfully completed their Graduate/Apprentice scheme on 2 September 2019.
- They have worked for DE&S for 60 working days and are eligible for a 2.25% salary increase.

Example C for Graduate/Apprentice:

- Employee C successfully completed their Graduate/Apprentice scheme on 1 March 2020.
- They are eligible for a 2.25% salary increase.

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 salary increase withheld until the outcome of their disciplinary case is known. If no disciplinary penalty is issued, employees will be eligible for a salary increase if they meet the eligibility criteria. Any increases will be backdated to 1 April 2020 as standard.

Employees who are dismissed from DE&S will not be eligible for a salary increase.

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 2020 can be found in the below table:

Employee Contribution Bandings	Member Contribution Rate
£0 - £22,600	4.60%
£22,601 - £54,900	5.45%
£54,901 - £150,000	7.35%
£150,001 +	8.05%

When the pay award is implemented, any salary increase will be backdated to 1 April 2020. If an employee's pay is just below the next salary banding, they may find that for that month, they fall into a higher contribution banding and as such, pay a higher percentage contribution than they are used to. This is because contributions to the Civil Service Pension Scheme are based on monthly pensionable earnings multiplied by 12.

Going forward, the figure used will be their new salary following any salary increase and as such, their employee pension contributions will be based on this figure.

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

National Living Wage increases are payable with effect from 1 April 2020 and are implemented in April. As the pay award is based on an employee's salary as at 31 March 2020, this does not include any NLW increase. The NLW has increased considerably this year and some employees may find the NLW increase is more favorable than their pay award increase. In this case, no further increase is due.

Example A

Salary as at 31 March = £17,931

Salary as at 1 April = £19,044

Salary increase = 2.25%

£17,931 + 2.25% = £18,334

Salary remains £19,044

Example B

Salary as at 31 March = £18,750

Salary as at 1 April = £19,044

Salary increase = 2.25%

£18,750 + 2.25% = £19,172

Salary increases to £19,172

12 Questions and Answers

Q: Why has a flat rate salary increase been applied?

A: Due to the unique situation this year due to CV-19, it was not possible to complete the performance cycle. Therefore, a flat salary increase of 2.25% will be paid to those who are eligible, as defined by this document.

Q: Why must I have been employed for 60 working days in the performance year to be eligible for a salary increase?

A: 60 days is deemed to be the minimum period to demonstrate a contribution to DE&S.

With the exception of maternity, adoption, shared parental leave, sick absence and S2O, 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 start date of your second period of employment; the time spent working before you left will not be included because you chose to leave DE&S.

Q: How can I get more information on how my personal circumstances impact my salary increase through the Pay Award?

A: First step is to read 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 unsure of the answer, they should contact the HR Hub at DESHR-HUB@mod.gov.uk


For reference: Level 1-5 pay bands for 2020 are set out below:

Level	Pay Band Minimum	Pay Band Maximum
Administrator/Specialist (Level 1)	£16,777	£35,000
Senior Administrator/Senior Specialist (Level 2)	£19,044	£50,000
Professional II (Level3)	£30,000	£70,000
Professional I (Level 4)	£42,000	£95,000
Senior Professional (Level 5)	£56,000	£120,000

13 Document Control

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