

## Fighting for fair pay for NHS staff

### NHS Proposed Pay Offer 2015/16 – Frequently Asked Questions

February 2015

These FAQs have been designed to help members understand proposed pay offer. Comparing the proposed pay offer with the existing NHS pay policy is not a straightforward task. Your branch has been issued with a more detailed breakdown of the proposed pay offer so you should speak with your branch about the impact on your circumstance. In this document we use clear consistent terminology to separate each part.

#### Terminology

**Existing NHS pay policy 2014/15** – refers to the 1% non-consolidated lump sum, which only the 40% of NHS staff at the top of their band got.

**Existing NHS pay policy 2015/16** – refers to the 2% non-consolidated lump sum, which only the 40% of NHS staff at the top of their band will get if the offer is rejected.

**Proposed Pay Offer 2015/16** – refers to the 2015/16 proposed pay offer from the Secretary of State including;

- A. 1% consolidated pay rise for all staff up to point 42 from April 2015
- B. Abolition of the bottom point of AfC and increasing pay point 2 to £15,100.
- C. A further additional £200 consolidated for staff on pay points 3-8.
- D. An increment freeze in 2015/16 for staff on pay point 34 and above for one year only
- E. Urgent talks to take place with a view to the proposed redundancy changes being implemented from 1 April 2015

#### **What does this proposed pay offer mean for me?**

You will need to look carefully at how the proposed pay offer will affect your own circumstances. There is no simple way to compare what you would get with the proposed offer with what you would get if this is rejected. We will try to set out some of the main points in these frequently asked questions but you might want to speak to your local representative and branch about what this means for you and your working patterns.

#### **What is the difference between what I would have got, and the new offer?**

When the government rejected the Pay Review Body recommendation last year, it imposed a two-year settlement for 2014/15 and 2015/16. This proposed pay offer may change what would happen to your pay in 2015/16. The main difference is the change from non-consolidated (meaning it appears in your pay as a one off monthly sum and does not change your basic pay) to consolidated (meaning it changes your basic pay and applies to hourly rates, unsocial hours, overtime rates, and any other supplements based on your basic pay).

The other main difference is that the 1% consolidated amount would apply to all pay points up to 42. This is different to the government's previous intention only to pay an award to those at the top of their bands for 2015/16. There is also additional money for the lowest paid staff in Bands 1, 2 and 3 (up to pay point 8).

**What other elements are included in this pay offer?**

The bottom point of band 1 would be removed and the next lowest point would be increased to £15,100. There is also an additional £200 consolidated added to the lowest pay points (3 – 8).

Along with the proposed pay offer is a commitment to review the Agenda for Change redundancy terms to introduce a floor and a ceiling payment and end the employer pension top up for early retirement on grounds of redundancy.

The offer letter from the Secretary of State for Health also restates the government's commitment to the NHS Pay Review Body (NHSPRB) in years to come (2016/17 onwards). It also seeks a commitment from Trade Unions to enter into talks on reforming Agenda for Change.

The letter also includes additional concessions for staff employed in Ambulance Trusts in England. You can find out more by contacting your branch if you work in the ambulance service.

We have also produced a briefing for branches that has more detail on what these mean.

**Will the 1% uplift apply to High Cost Area Supplements?**

We have received confirmation from the Department of Health and NHS Employers that yes, the minimum and maximum High Cost Area Supplements would be increased by 1%.

**What did I get in 2014/15 under the existing pay policy?**

If you were at the top of your band, you would have received 1% of your basic salary as a non-consolidated lump sum paid in monthly amounts but not added to your basic pay. If you were not at the top of your band, you would not have received any cost of living increase.

**If the proposed pay offer is accepted, would I lose any of the lump sum payments already received from the 1% non-consolidated in 2014/15?**

No, the one off 1% non-consolidated payment for 2014/15 was broken down into 12 monthly instalments to be paid until the end of March 2015 when it would have stopped. The proposed pay offer would not mean staff have to pay any money back.

**What would I get in 2015/16 under the existing pay policy?**

Nothing if you are not at the top of your band. If you are at the top of your band then at the end of March 2015, the 1% non-consolidated you got in 2014/5 will be removed and the government would apply a 2% non-consolidated amount for 12 months starting from 1 April 2015. This would then be removed at the end of March 2016.

**Will I be better or worse off under this new offer?**

Broadly speaking most people under pay point 42 and who are not at the top of their band, would be better off under this new offer. This is because the 1% consolidated offer would apply to all bands whereas, under the existing pay policy, only for those at the top of their bands would get it.

Under the proposed pay offer, if you are at the top of your band, your earnings may be less (1% instead of 2%). However, because it is consolidated your basic pay would increase and therefore so would your hourly rate. This means that if you work overtime it would be worth more because your time and a half is calculated on your increased hourly rate, if you work unsocial hours these would be worked out on the new increased basic salary. In addition, any future pay rises would apply to your new consolidated basic salary.

**Why is consolidation better?**

Consolidation is when a pay uplift is added in to your annual salary. It is better because it increases the hourly rate, so any payments for unsocial hours or overtime also increase. Unlike a one-off payment which can be removed at any time, the increase to your salary and hourly

rate is permanent, so any future payments you get will be based on this increased amount. It will also count towards your pension.

### **How does this offer affect incremental pay progression?**

Under the existing pay policy, staff in all bands, subject to incremental pay procedures, would have received their incremental pay progression.

Under the proposed offer, staff on pay points 1 to 33 would receive their increments, subject to local incremental pay procedures, but staff from pay point 34 and above would have their increments frozen for 12 months. Incremental progression is separate to pay and would be in addition to the 1% consolidated amount that staff receive.

### **What about staff in the higher bands?**

Under the proposed offer, staff up to pay point 42 (band 8b and the first 2 points in 8c) would get the 1% consolidated but those at pay point 43 and above would not get any rise. Staff on pay point 34 and above would get their increments frozen for 12 months.

### **How much new money is there in this new offer?**

The existing pay policy, which would give 2% non-consolidated for the top of the bands, would add £280m to the NHS pay bill (currently £34bn). The proposed offer would add £345m to the pay bill for 2015/16 and additional money is committed from 2016 onwards as it is consolidated which means it is a recurring cost to the government.

### **What happens to NHS Pay in future years?**

In the offer letter, the government stated their commitment to the NHS Pay Review Body process although they have not yet been given any instruction for 2016/17. Following the general election, UNISON will continue to work with the government health ministers on NHS pay.

### **What is UNISON's recommendation?**

The Health Service Group Executive committee voted to suspend industrial action and consult members on these proposals. They believe that your action has made some improvements but has not delivered what we wanted. If you reject this offer, then further industrial action would take place on Friday 13 March. The Health Service Group Executive recommends this as the best we have been able to achieve through negotiation.

### **How will I get to have my say about this offer?**

You will receive a ballot paper to your home address that will ask you to state whether you are accepting the pay proposals for 2015/16 or rejecting the pay proposals and are prepared to take industrial action including strike action on 13 March 2015.

### **What is the timescale for me to have my say?**

You should receive your ballot paper [insert date] and you must return it by [insert date]

### **What is the ballot timetable?**

All members will be sent a ballot paper along with a copy of an A4 2-sided letter from Christina McAnea, and a pre-paid return envelope. This needs to be returned by **10am on Monday 2 March 2015**.

Ballot papers will include the wording of UNISON's official policy on the proposals and will ask members if they:

wish to ACCEPT the pay proposals for 2015/16

or

wish to REJECT the pay proposals for 2015/16 and am prepared to take industrial action including strike action starting on 13 March 2015

The Health Service Group Executive is very conscious that this is a tight timetable for consultation. However, this is the only timetable to allow us to take strike action on the agreed date of 13 March if the offer is rejected.

**Who gets to have a vote?**

All members who are employed on NHS Terms and Conditions (Agenda for Change) are eligible to vote in the ballot. If you are covered by another national agreement, e.g. VSM, or you are engaged on local terms you won't be eligible. Members working for private contractors should not be included, unless you are on one of the small number of contracts included in the original ballot for industrial action.

**What happens if UNISON members reject this new offer?**

If the offer is rejected by UNISON members, then you will be asked to continue with the programme of industrial action **starting** with a strike on Friday 13 March.

**When would the proposed pay offer be implemented?**

It would be effective from 1 April 2015.

**What about if I have just joined UNISON or I'm not yet a member?**

As long as you fit into the categories above you can be included in the vote. This is a great time to join UNISON and have your say so get an application form from your local representative. If you are not a member, you cannot have a say in this consultation.

**Will there be any more industrial action?**

If the majority of UNISON members reject the offer then there will be more industrial action starting on Friday 13 March.

**What is happening to unsocial hours?**

There are currently no proposals to make changes to the unsocial hours' payments system. However, we know this is something the government and many employers would like to do. The NHS Pay Review Body has been asked to make 'observations' on the wider issue of 7-day working and we know that the Department of Health wants to use this to look at options for changes to unsocial hours payments. Without a change in health policy or funding, it is likely that proposals to cut unsocial hours rates will be made in the next year or two and that trade unions will need to work together to defend pay from these attacks. UNISON is fully committed to defending our members pay, terms and conditions.

**What are the other NHS Trade Unions doing?**

Those unions who had planned to hold strike action in January and February were party to discussion on the proposals with the Department of Health and have now all agreed to suspend their industrial action to enable them to consult their members. The proposals have implications for all staff on NHS terms and conditions in England, so trade unions who were not in formal dispute may also be running consultation exercises.

**Will this offer affect my pension contribution rate?**

Pension contribution rates are set by salary bandings therefore as you move through your band, or move to a higher band, your pension contribution rates may increase. As the pay offer is consolidated, and will therefore increase basic salaries, this may have an impact on pension contribution rates. The current salary bands are included below and more information can be found by contacting the NHS Pensions Agency <http://www.nhsbsa.nhs.uk/Pensions.aspx>

**2014 – 2016 Contribution Rates before tax relief (gross)**

<b>Tier</b>	<b>2014/2015 tiers up to</b>	<b>2015/2016 tiers up to</b>	<b>Contribution Rate in 2014/15</b>
<b>1</b>	£15,431.99	£15,431.99	5.00%
<b>2</b>	£21,387.99	£21,477.99	5.60%
<b>3</b>	£26,823.99	£26,823.99	7.10%
<b>4</b>	£49,472.99	£47,845.99	9.30%
<b>5</b>	£70,630.99	£70,630.99	12.50%
<b>6</b>	£111,376.99	£111,376.99	13.50%
<b>7</b>	>£111,377	>£111,377	14.50%