# **An example of a PAY POLICY**

## **Purpose and Scope**

## As a small employer with limited resources it is very important that we use the money we have available for remuneration effectively. This policy describes the broad principles which we will follow as an employer when setting and reviewing pay.

## This policy applies to all staff working for us either on a casual, fixed term or permanent basis. We do not usually employ agency workers. In the event that we do, we will ensure that pay for longer term agency workers (who are with us for a continuous period of over 12 weeks) is comparable to the pay offered for directly employed staff who carry out comparable work.

## **Pay policy principles**

Pay Equality

We strive to be an equal opportunity employer. This means our intention is to treat all staff equitably with regards to the terms and conditions of employment offered including pay. The Board will review pay levels from time to time to identify and address any anomaly.

The Living Wage (as set by the Living Wage Foundation)

We fully support the Living Wage and will aim to pay at this level, subject to affordability. Living Wage figures are usually announced annually in November of each year and we will take the figure into account when reviewing pay.

Pay reviews

Pay will be reviewed annually in [month] each year following a performance appraisal conducted by the relevant line manager. In deciding on whether to increase pay, we will first of all consider whether we have the funds to do so. Some years we may not have the funds to increase your pay.

If we do increase pay, we will decide on the level of pay rise taking a number of factors into account, including the Living Wage, the Retail and Consumer Price Indexes (RPI and CPI) and the level of other pay settlements. Any pay review will be recommended by the Chief Executive and will be subject to the approval of the Board.

New staff

New staff will be offered a salary that takes into account the skills and experience they bring to the role, pay equality and, affordability.

[Taking on additional responsibilities] Delete if not applicable

If a member of staff is required to take on substantially more responsibility for a long period of time, we may offer a monthly allowance for the relevant period.]

Exclusions

A staff member joining after 1 [month] in any year will not usually be eligible for a pay review until the [month] after their first years’ service. Any member of staff subject to poor performance or misconduct procedures would not be eligible for a review until the expiry of any warning.

## **Written terms and conditions**

On or before the commencement of employment, all staff will be given a written statement of their individual terms and conditions with regards to salary and arrangements for working hours, deductions, holiday, any overtime payable or time off in lieu. Any changes to these terms and conditions will be notified to the individual in writing.

If you have any queries on your pay level or any pay review, you are asked to raise this with your manager in the first instance.

## **Policy Review**

The overall responsibility for this policy lies with the Chief Executive and Board.

**Important notice**

This is an example of an employment policy designed for a small not-for-profit employer adhering to statutory minimum requirements and does not constitute legal advice. As with all policies it should be consistent with your terms and conditions of employment as well as your culture and aspirations. There is no one size fits all!