

P/L 5460 2589

30 March 2000

ROYAL MAIL WAY FORWARD – SHIFT PAYMENTS

1. INTRODUCTION

This Directive implements from 8 May 2000 a new system of weekly shift payments, replacing NDA, for all employees in the new Operational Grade, Operational Support Grade, and LA2.

The rates of shift allowance payable are set out in the Way Forward agreement, and the current rates at any time will be available from the Pay Compendium within the People Management Framework.

2. IMPLEMENTATION

Employees in the new grades will be eligible for shift payments from week commencing 8 May. Shift payments will be paid in current week.

Note that, because NDA on conditioned hours ceases the previous week, but is paid a week in arrears, employees who actually work shifts on conditioned hours during week commencing 1 May, and who hold a job requiring shift working during week commencing 8 May, will on Friday 12 May receive payment of the first new shift payment *together with* the final payment of conditioned NDA.

3. BASIS OF THE SHIFT PAYMENTS

The basis of the new shift payments is that they are paid to employees holding jobs that require shift working.

Whether a particular job qualifies for a shift allowance depends upon the attendance span of the scheduled conditioned hours, as follows:

- Dawn shift - jobs with a start time between 0201-0400 inclusive (i.e. *including* starts at 0400)
- Early 0500 shift - jobs with a start time between 0401-0500 inclusive
- Early 0530 shift - jobs with a start time between 0501-0530 inclusive
- Evening shift - jobs with a finish time between 2000-2139 inclusive (i.e. *including* finishes at 2000)
- Late shift - jobs with a finish time between 2140-0159 inclusive
- Night shift - jobs requiring three hours to be worked across the period 2300-0500 inclusive

Note that the definition of night shift working is the current legal definition within the Working Time Regulations. In the unlikely event of an attendance with a span of *less* than three hours in length *either* starting between 2300-0200 *or* finishing between 0200-0500, this should nevertheless be treated as a night attendance for shift payment purposes. However all shifts must be arranged to conform with the legal requirements of the Regulations.

There is no additional payment for hours worked on a Saturday.

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The weekly rates for each type of shift are paid where all the conditioned attendances of a particular job qualify for the same shift payment, which will be true in most cases. This will be the case irrespective of the number of attendances involved (i.e. a full-time night job will pick up the full allowance whether a four-, five- or six night week). Evidence of entitlement may be obtained from the appropriate Work Area Job Descriptions, and the data capture proformas being completed by Resourcing Units as part of the implementation process.

Only one of these rates may be claimed for any given pattern of attendance.

Part-time employees are paid the appropriate shift payment pro-rata to conditioned hours. Overtime worked at single rate (i.e. up to 41.5 hours per week, or up to 40 hours per week after part-time SWW) is counted as conditioned hours for this purpose.

Arrangements for more complex patterns of attendance are covered below.

4. SPLIT DUTIES

A split duty is defined as one (full- or part-time) where a daily attendance *within conditioned hours* is split into two separate parts with an unpaid period in between. The payment is only made where the two attendances relate to the same contract of employment and where at least seven separate conditioned attendances are scheduled in total across the week. The amount paid varies according to the total span, from the start of the first part of the attendance to the finish of the second part, including the unpaid period in between. To qualify for a given level of payment this span must *exceed* either 10, 12.5 or 15 hours in length.

The weekly payment assumes that all of the attendances required by the job during the week are split (i.e. two separate conditioned attendances on each of at least four days). Provided that there are at least seven attendances due across the week, a pro-rata payment may be made if a job requires split attendances on some days but not others (e.g. a job with split attendances Monday and Tuesday only, out of a five day week, would attract 40% of the allowance). Split duty allowance may also be averaged where a split duty is included within a weekly rotation cycle.

A split duty may also attract a shift payment – for these purposes each part of a split attendance is considered separately in terms of eligibility for any shift, but only one allowance may be reckoned for each day (i.e. the higher of the two. For example, if the first part of a split duty starts at 0500 and the second finishes at 2000, the payment for these attendances, taken together, will be the higher one which is the Evening Shift).

5. MIXED ATTENDANCE PATTERNS

Where a job requires a mixed pattern of conditioned attendances during a week, such that some of the daily attendances qualify for one (or no) shift payment and others qualify for a different one, the amount of shift payment due is calculated as a simple average across the number of attendances involved, irrespective of the length of each. In practice this means that for a five-day week each attendance qualifies for 20% of the appropriate shift allowance (or 25% for a four day week, 16.67% for a six-day week). For example:

Monday	0800-1700	<i>no shift payment</i>
Tuesday	0600-1400	<i>no shift payment</i>
Wednesday	0500-1300	<i>20% of the Early 0500 payment</i>
Thursday	0500-1300	<i>20% of the Early 0500 payment</i>
Friday	1300-2000	<i>20% of the Evening payment</i>

The total amount due for this attendance pattern is therefore 40% of the Early 0500 payment plus 20% of the Evening payment (equals £7.34 per week for an Operational Grade employee at 1999/2000 rates).

6. ROTATIONS

Where a job requires different conditioned attendances from one week to another, as part of a formal rotation, then an average payment should be paid. This is calculated as the amount due for each attendance pattern in the rotation, added together and divided by the number of weeks in the rotation. Thus someone working an early/late two-week rotate will receive a consistent shift payment each week, equal to half of the amount for the early attendance (if any) and half of the amount for the late attendance (if any).

Note that for jobs where such averaged payments are made, the job holders may not take more than three weeks of their leave during any leave year from the most unsocial shift (i.e. that which attracts the highest payment) of the rotation.

7. RESERVES and other JOBS WITH VARIABLE CONDITIONED ATTENDANCES

Those reserves allocated to cover absences within a particular shift or work area will pick up the same shift payment as the other employees within that shift or work area. This is on the basis that the large majority of their conditioned hours are then worked on that shift, with any variations (e.g. due to an exceptional need to cover absence in another area) dealt with by over-riding that week's underlying payment with an ad hoc payment (see below).

Similarly, reserves allocated to cover absence within a particular rotation should generally pick up the same shift payment as the employees within that rotation. If the balance of shifts worked by the reserve is broadly similar to that of the rotating employees (remembering that rotating employees with averaged shift payments cannot take more than three weeks' leave from the highest paid shift), then it will provide greater stability of earnings for the reserve to receive the same fixed weekly payment. Where this isn't the case, the alternative would be for this payment to be used as the underlying one (i.e. for payment during absence) with the reserve paid week by week according to the shift worked.

Reserves allocated to cover absence on a wider basis will have an underlying payment calculated at the beginning of each leave year (or from 8 May 2000 for the first year), based on the proportion of AWD attendances of each shift type within the staffing base they are due to cover. Where reserves are general reserves covering absence across the whole office, this average will be calculated on the basis of all of the jobs in the office, obviously including any that do not attract a shift payment. Where reserves are allocated more specifically (e.g. to a work area), the average will be based on the base of jobs they cover (e.g. if a reserve is scheduled to cover driving jobs, across several shifts, then the average is based on these jobs only). The purpose of this calculation is simply to calculate an underlying payment, which is stored in the HR system and paid whenever the reserve is themselves absent from work, subject to the standard payment criteria. When a reserve is working, this will be over-ridden each week by the payment reflecting the actual attendance each has worked (see ad hoc payments, below).

A similar approach will be taken with other employees who do not have a fixed attendance pattern. However, for jobs where there is no general requirement to work shifts, with only an occasional or exceptional need to do so, there is no basis for calculating an underlying payment, and any occasional shifts worked within conditioned hours can be picked up using the standard ad hoc provisions, set out below.

8. PAYMENT OF SHIFT PAYMENTS

Job holders will continue to receive shift payments while they hold a qualifying job, including during all annual leave. Payment will continue during periods of sickness or other absence from work, except that payment will cease after any single spell of two months continuous absence from work. Each spell of absence is treated separately for this purpose. However no payment will be made for any period of absence on less than full pay.

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When an employee moves jobs, or changes their conditioned attendance, the level of shift payment due is adjusted upwards or downwards accordingly, with immediate effect. Once an employee has moved off a job there is no entitlement to any shift payments based upon the previous job's attendance pattern. Employees who move temporarily to cover another vacant job will pick up the appropriate payment for the job being covered.

Shift payments are generally pensionable and contributory, except that the Night shift payment is part-pensionable to the same level as the Late shift payment, with the balance paid on a non-pensionable basis (if night shifts are averaged within rotations etc., then the averaging calculation will similarly produce pensionable and non-pensionable payments - e.g. a day/night two week rotation would attract pensionable and non-pensionable payments equal to 50% of those applying to fixed nights). Pensionable shift payments are treated as pensionable allowances for pensions purposes.

9. AD HOC SHIFT PAYMENTS

Where conditioned hours are adjusted on a temporary basis, so that an employee who does not normally work shifts covers an attendance eligible for a shift payment (or vice versa), instead of their own normal attendance, then an ad hoc payment may be claimed for the attendance actually worked. Similarly, where someone whose job normally attracts a lower level of shift allowance works instead an attendance eligible for a higher payment (or vice versa), as a temporary variation to normal conditioned hours, then an ad hoc payment is made for that week instead of their normal level of payment.

The ad hoc payment is claimed per attendance, based on the appropriate weekly amount divided by the number of conditioned attendances worked by the employee that week (for example, one night shift in a five day week attracts 20% of the weekly night shift payment). (However different arrangements may apply for job swaps - see below).

There is no additional payment for attendances worked outside conditioned hours, as overtime or Scheduled Attendance, over and above the premium already built into the new national overtime and SA rates. However part-time single rate hours worked up to the full-time week will be counted as conditioned hours when assessing eligibility for shift payment.

Common circumstances in which ad hoc payments will be claimed are:

- reserves covering different attendances each week (note that where a reserve has been given a regular underlying level of shift payment, as above, then this will need to be over-ridden by the appropriate payment for every week worked, including day shift attendances when a zero payment is due)
- part-time employees working additional hours as overtime. In this case the HR system will automatically calculate the additional pro-rata entitlement of the standard shift allowance of the job attached to the individual's HR record. Resourcing Units will only need to enter a temporary variation where the additional hours worked take the attendance into a new (higher) level of shift payment.
- for employees normally conditioned to work a day shift (e.g. admin staff such as revisions teams) but where there is an occasional need to work conditioned hours on shifts

Ad hoc payments are pensionable, except that the Night payment is part-pensionable to the same level as the Late Shift.

10. SWAPS OF ATTENDANCE

Subject to the normal requirement for approval from the line manager and/or Resourcing Unit, employees may seek to vary their conditioned attendance for exceptional personal reasons, by swapping their attendance with another employee. The difference between a "swap" and other forms of temporary move is that none of the jobs involved are vacant and none of the jobholders involved are absent.

For swaps lasting less than a whole week (i.e. *not* involving all of the jobs' conditioned attendances over a Monday-Sunday period), there should be no adjustment to the payments made to each of the employees involved.

For other swaps, where all the conditioned attendances of at least one week are involved, the basic principle is that the total amount paid to the employees in total, and therefore the total operating costs of the unit, must remain unchanged. Each employee simply picks up the payment that would have been paid to the other (i.e. for each employee, an ad hoc payment is made, over-riding the underlying payment, which is equal to the underlying payment of the other employee). In cases of swaps from one rotation to another, the payments exchanged will be the averages calculated for each rotation cycle. Therefore there is no need to make any adjustment for swaps or other moves within the same rotation.

11. SUNDAYS WITHIN CONDITIONED HOURS

Where Sunday hours are worked over and above 41.5 (40 after SWW) scheduled Monday to Saturday conditioned hours, the normal arrangement is for these hours to be treated as overtime or SA. However, as an alternative to treating a Sunday attendance as overtime or SA attached to weekday conditioned hours, Sunday may by local agreement be covered within the weekly 40/41.5 conditioned hours. This can be a more attractive arrangement to the employee (providing a more favourable pension and shift allowance position) and to the business (providing more reliable cover since the Sunday becomes a working day for attendance and leave purposes). It also ensures that the Sunday hours (but excluding the premium) are paid for during leave and illness, which would not be the case for a scheduled overtime commitment.

In these circumstances a Sunday premium is paid above normal pay, as provided for by the Way Forward agreement (the rate is based on the difference between the cash Sunday Scheduled Attendance rate and the standard national hourly rate for the grade). This is paid on an intermittent basis for the conditioned hours actually worked each week. Obviously it is not paid for overtime or SA hours, since the cash rates for these already recognise the premium paid for working on a Sunday.

Whilst there is no entitlement to shift allowance for a Sunday worked on overtime or SA, where Sunday is included within conditioned hours the entitlement will be the same as any other conditioned attendance. For such full- and part-time jobs the Sunday will count as a normal attendance when assessing any entitlement to shift allowances. In many cases all attendances will qualify for the same shift allowance (e.g. they are all "night" attendances). Where this is not the case an average allowance should be calculated as for any other job with mixed attendance, as set out above.

12. SUBSTITUTION and PROMOTION

Shift payments for the substantive grade/job will not continue to be paid during periods of substitution or temporary promotion to another grade. However clearly if the job being covered on substitution or temporary promotion itself involves shift working and carries eligibility for a shift payment or allowance, then the substitute or promotee receives payment in full at the rate appropriate to the higher grade.

Shift payments will be excluded when assessing starting pay on promotion. Obviously, if the job being filled by promotion involves shift working then the promotee will pick up the shift allowance for that grade, over and above the higher level of basic pay or salary.

13. SHIFT PAYMENTS and HR

Technical instructions will be issued separately by POSG HR Support. However a summary of how shift payments will operate for payroll purposes is as follows.

Those employees holding jobs requiring shift working within conditioned hours will have attached to their payroll records an income code representing the type of shift being worked. Where the job involves a variety of shifts, or is part of a formal rotation, the income code will be for a "mixed shift" and an amount of allowance entered to reflect the average calculation performed as set out above. This level of allowance is referred to as the "underlying" shift payment, and will continue to be paid during absence, subject to the criteria above and so long as the employee continues in the job concerned.

Those employees holding jobs with attendance patterns that do not fall into a category of shift working defined above (i.e. those with day shifts) will not have an underlying payment.

Each week, Resourcing Units will need to notify payroll units of Permanent Changes and Temporary Changes.

Permanent Changes will be where employees have moved jobs, and therefore qualify for a different level of shift allowance. These changes will amend the level of underlying shift payment (and therefore change the attached income code), and this change will be carried forward automatically into subsequent weeks. In cases of long term temporary changes (e.g. someone moved to another job for a reasonable period of time, or someone expected to be on long term sick leave well past the two month point), it will probably be easier to enter these changes as permanent ones, reversing them at a future date when the employee returns to their normal job.

Temporary Changes will cover the variety of situations where an employee is entitled to a different level of shift payment for one week only. As with NDA, these will be input to payroll by Resourcing Units each week, although unlike NDA the effect of entering a temporary change will be to over-write the underlying payment, for that week only, and replace it with the proper entitlement for the week concerned. Also unlike NDA, there will be no need to monitor leave and other short-term absence, since underlying payments are proper to be made during such periods away from work. The Temporary Changes entered each week will cover those employees varying their conditioned attendance from week to week outside of a formal rotation (e.g. reserves), part-time employees working single rate overtime that qualifies for a different shift allowance, swaps of duty of more than a week, and any other ad hoc changes of conditioned hours.

A "ready reckoner" for ad hoc shifts worked over four-, five- and six-day weeks will be included within the Pay Directive that sets out all the new rates, to be issued shortly.

14. QUERIES

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