



NATIONAL AMBULANCE STRATEGIC PARTNERSHIP FORUM INTERIM AGREEMENT ON CALCULATION OF HOLIDAY PAY

FREQUENTLY ASKED QUESTIONS – AMBULANCE SECTOR

ELIGIBILITY FOR PAYMENTS

1. *Who is eligible for payments?*

The interim framework agreement, which has been reached between the English Ambulance Trusts and the Trade Unions, aims to ensure that those employed by English Ambulance Trusts under Agenda for Change have overtime and additional basic pay worked in excess of contractual hours, included in the calculation of holiday pay. This agreement applies to permanent and fixed term full time and part time employees who do not currently have average overtime and additional basic payments made to them during annual leave.

2. *I am paid through the 'ESR average pay module' when I go on leave because I am on section 2 – will I receive the payments under this agreement?*

Some Trusts (NWAS and WMAS) use the ESR Average Pay module to make average USH payments to section 2 staff during periods of annual leave. In the case of SWAST this method is used for all staff. The calculation of Unsocial Hours payments fall outside of this agreement.

However, overtime and additional basic pay has been added to ESR Average Pay calculation from 1st July 2021 so from this date, section 2 employees in these services have been paid an average of their overtime and additional basic pay when they have taken annual

leave. This is calculated by looking back over 52 weeks at the overtime and additional basic pay earned and calculating an average. This appears on payslips as AFC Absence.

Employees on section 2 in these Trusts (and all employees in SWAST) will be eligible for back pay between 1st April 2021 and 1st July 2021 only regarding annual leave accrued in respect of overtime or additional basic pay. This is because overtime and additional basic pay was not included in calculations between these dates so staff may have been underpaid. Such employees will not receive ongoing payments under this agreement from 1 July 2021 because the pay they receive during annual leave from this date will already take account of payments for overtime and additional basic pay which they have received.

Other eligible staff on Annex 5, or section 2 staff outside these Trusts, will receive payments under the agreement from 1st April 2021.

3. *Are band 8 and 9 managers covered by this agreement?*

No. This agreement applies to overtime under Agenda for Change arrangements and as section 3 of Agenda for Change excludes band 8 and 9 managers, they will not be covered by the agreement. Part time managers who receive additional basic pay under section 3 will have this included in payments.

The issue of whether any locally made payments for additional hours worked above contract by band 8 and 9 managers should be considered for inclusion in the calculation of holiday pay is a matter for local Trusts to determine.

4. *What happens if I take my overtime as TOIL?*

If you choose to take your overtime as TOIL then this overtime will not be taken into account in calculations for a payment under the agreement.

5. *I am a bank worker does this apply to me?*

No, the agreement only applies to substantive staff employed on Agenda for Change who receive overtime payments or additional basic pay.

6. *Why has a multiplier been chosen as the solution?*

The ESR pay system is currently being developed to enable Trusts to appropriately calculate holiday pay for all staff using an averaging approach and taking into account whether overtime and additional basic pay is received regularly. Until some of these changes have been made and implemented, we have reached an interim agreement to use a multiplier as being the simplest way to address this issue quickly for our staff.





7. How will the multiplier work in practice?

Each month the multiplier will be applied to any overtime or additional basic pay that you earn and it will be paid to you as an addition to basic pay. This accrues payments to compensate you for periods of annual leave when you receive basic pay and unsocial hours. It works to ensure that you are receiving your normal pay, as if you were at work, as set out in section 13.9 of the NHS Terms and Conditions of Service Handbook.

8. What types of overtime are included?

All overtime, including voluntary and extended overtime will be included in the calculation. Bear Scotland payments previously made in Trusts have ceased and will be replaced by this method which will incorporate those payments.

9. I have already received some Bear Scotland payments since 1st April 2021, what will happen to these?

Any Bear Scotland payments received since 1st April 2021 will be deducted from back pay to be paid under this agreement because extended overtime is taken into account in the calculation under this agreement.

10. Why is the multiplier set at 13%?

There is no easy payroll solution to the correct calculation of holiday pay currently so employers and Trade Unions have worked together to agree a method which is fair and feasible to deliver. Multipliers of this type are used in other scenarios across the NHS. Setting up this type of payment is complex, taking into account differing levels of annual

leave and so we have agreed a single payment above the average annual leave entitlements across the sector and taking into account that there is not option to consider the regularity of payments under this method.

11. Why is this different to the Corrective Payments?

The 16% multiplier used in the Corrective payments, was agreed to reflect a combination of the period of time that overtime was not included in annual leave pay calculations, the number of eligible staff and the overall national estimated cost of those payments. This led to a multiplier higher than annual leave entitlements being agreed for those Corrective payments. Some of those factors such as the period of time that overtime had not been included in annual leave pay calculations is not applicable for this agreement and the focus has been on agreeing a pragmatic approach to ensuring that overtime and additional basic pay is included in holiday pay calculations on an ongoing basis.

12. How will I know how much I have been paid?

The payments will appear as a separate line on your payslip. Your local Trust can confirm how this will appear.

13. How long will this interim solution be in place?

As a minimum until April 2022. This is the earliest date that the changes are likely to be made to ESR. Once these changes have been implemented there is likely to be a transition period of a maximum of six months because paying via average pay will require a lot of set up in individual Trusts.

14. Why will we move to payment via average pay?

Following the corrective payments settlement which followed the Flowers litigation, the Department of Health and Social Care and NHS England /Improvement committed to developing the average pay module in ESR to be able to accurately calculate payments during annual leave including an assessment of regularity. Once these changes are made, this should offer the most accurate method of payment and will be used consistently across the NHS which is why we have jointly committed to adopt that as the most appropriate method of calculating holiday pay moving forward.

15. How will average pay work?

When someone takes annual leave, this module will look back over 52 weeks to calculate what staff have earned in overtime and additional basic pay and to calculate an average. This means payment will be received when people actually take leave which allows for much better financial planning. The changes being made will incorporate the principles set out in section 13.9 of the NHS Terms and Conditions Handbook that for overtime to be included in the calculation it should be regularly paid. The English Ambulance Trusts and the Trade Unions have jointly agreed that once this change has been made, all Trusts will adopt this method.

IMPLEMENTATION

16. When will the back pay be implemented?

Trusts are planning to implement this agreement prior to Christmas. Your local Trust will confirm exact arrangements.



For clarity when this is processed eligible staff should get back pay as follows:

Eligible staff should receive pay backdated to 1st April 2021 and then the payments will be made monthly until the move to the revised ESR Average Pay Module.

Staff on section 2 unsocial hours in NWAS and WMAS and all staff in SWAST will receive back pay for 1st April to 1st July 2021. From that date they should receive an average payment which includes their overtime when they take annual leave.

17. Will the back pay impact on my pension?

Overtime is not pensionable, so the payments made in connection with overtime will also not be pensionable. Additional basic pay is pensionable therefore payments made in relation to additional basic pay will be pensionable.

18. Will my payments be taxed?

Yes. These payments will be subject to tax deductions and national insurance deductions at source.

19. Will this payment affect state benefits received by staff?

State benefits which depend on national insurance contributions (NICs) may be affected. Benefits which do not depend on NICs will not be affected. Members of staff in receipt of state benefits dependent on NICs should contact their benefit provider. More information on State benefits can be found on www.gov.uk.

