

Protection of Pay – Member FAQ's

Q What is Protection of Pay?

A If you have at least two years qualifying service and suffer a reduction in earnings through no fault of your own, you may apply to protect your pension benefits

Examples of accepted reasons for protection of pay are:

- A change in the nature of the duties performed for example due to ill health
- A move to a lower paid post because of pending or actual redundancy.
- Being transferred to other employment with an employer.

Where pay is to 'mark-time' for a specified period an application can be made at the beginning and the end of the mark-time period.

Q Does Protection of Pay in these circumstances apply to all schemes – 1995, 2008 and 2015?

A No, this provision only applies to the 1995 and 2008 sections of the scheme. It does not apply to the 2015 pension scheme as benefits for this scheme are calculated on A Career Average basis.

Q What criteria must I satisfy in order to apply?

- A
- The reduction in pensionable pay must have occurred through no fault of your own.
 - You hold at least 2 years qualifying service in the scheme
 - The application must be made within 3 months of going on to the reduced pay or marking time.

Q Can I protect my pay if I have changed my duties and my pay is reduced due to ill health?

A Yes, a reduction in pay due to a change in duties following a period of ill health is a valid reason for protection of pay.

- Q Do I need to apply for protection if I am only reducing my hours and not my grade?
- A No, if you reduce your hours we will still use your notional whole time equivalent pay when calculating retirement benefits.
- Q Can a practitioner apply for Protection of Pay?
- A Protection of pay is not required for practitioners, as pension benefits are based on their earnings throughout their career and re-valued. This is known as a Career Average Re-valued Earnings (CARE) pension.
- Q If my pensionable pay has previously been protected, can I apply again if a further reduction through no fault of my own has occurred?
- A Yes, unlike the Voluntary Protection of Pay provision, Protection of Pay due to a reduction of no fault of your own can occur more than once.
- Q Does there have to be a minimum level of reduction to my pay?
- A No
- Q Do I have to have to be a certain age to apply?
- A No
- Q How do I apply for Protection of Pay?
- A You should complete the application form Pro Pay 1 available on the scheme website and send this your employer. Please also read the guidance attached to Pro Pay 1

Q How will I benefit by protecting my higher rate of pay?

A When a member retires, or transfers benefits out to another pension scheme, if they have one period of protection, two pensions will be calculated. A pension based on the protected rate of pay* plus inflation increases for membership up to the date of protection and a second pension for membership after that date will be calculated using pay* at retirement.

If by retirement the protected pay plus inflation increases is not more beneficial, then the whole of the pension benefits will be calculated using pay* at retirement.

*1995 Section - The best of the last three years of pensionable pay

*2008 Section – The reckonable pay. The average of the best three consecutive years pensionable pay in the last ten years.