

The Pensions Regulator's 'total reward' approach

Introduction

These reward arrangements have been designed to enable the Pensions Regulator (TPR) to meet its expectations and aspirations to be a high performing organisation. The basis for this is a system that enables the organisation to:

- reward all staff competitively for the job that they are appointed to carry out; and
- reward performance over and above the requirements of the job with non-consolidated bonuses. These arrangements apply to all permanent employees.

Job grouping

The Pensions Regulator operates four job groups as set out below:

Job group/typical jobs

- 1 Senior manager
- 2 Manager
- 3 Adviser
- 4 Co-ordinator

The group in which a job is placed is based on job evaluation.

TPR market rates

Salaries are based on market rates of pay. The process for determining the market rate for each job is:

- jobs in TPR are job evaluated
- these jobs are benchmarked to similar jobs available from a detailed jobs and salary database (with reference to the market sectors where we need to recruit from, and any unique aspects of TPR jobs as compared to those of market comparators)
- the 'benchmark salaries' are used to determine the TPR market rate for the job.

Each member of staff and their line manager is informed of TPR's market rate for their job.

TPR's market rate for each job is reviewed annually on 1 April taking into account:

- annual inflationary uplifts. These are effectively cost of living increases which are based on national growth in earnings
- significant shifts in the market, which impact on the organisation's ability to recruit or retain staff
- affordability

When is the pay review period?

The pay review period is 1 April to 31 March each year. Each employee receives a letter confirming any changes to their individual salary arrangements.

Bonus arrangements

Performance over and above the requirements of the job is rewarded through an annual non-consolidated bonus in April/May each year. Non-consolidated bonuses are one off payments that do not become part of basic pay and do not count for pension purposes. The level of bonus will depend on personal performance as determined by line managers and in line with affordability. The amount of bonus received depends on performance level as follows:

<i>Performance rating for reward purposes</i>	<i>% of TPR market rate</i>
Exceptional	Up to 20%
Strong	Up to 10%

Other benefits

In addition to 'total cash' set out above, TPR offer a whole range of non-financial benefits. These include:

- lifestyle benefits (eg flexible working arrangements, annual leave entitlement, pension arrangements, childcare voucher system, and);
- learning and development opportunities (eg access to work-based Learning opportunities and to sponsored study arrangements).