Rewards Extra
Scheme rules

1. Eligibility

1.1 Who is included in the scheme? (salary exchange, voluntary benefits and employee savings)
All employees of the University of York on open or fixed-term contracts - “UoY employees”.

1.2 When does eligibility begin?
From day 1 of employment (but see 6.1).

1.3 Who is excluded from the scheme?
- Individuals paid via either of the casual payrolls
- Employees of subsidiary companies
- YUSU employees
- Visitors from overseas
- Secondees from other organisations (with no open or fixed-term contract at the University of York)
- Anyone else who doesn’t have a formal contract of employment with the University of York

1.4 Who is excluded from salary exchange schemes?
- Individuals in the Temp Pool (even if members of the University of York Pension Fund)
- UoY employees whose actual annual pay on joining the University is below the Pay Protection Limit (£8,200 for tax year 2016/17)
- UoY employees whose actual monthly pay falls below the Pay Protection Limit (£8,200 for tax year 2016/17)
- UoY employees on unpaid sabbaticals/career breaks (also excluded from voluntary benefits – as no pay from which a deduction can be made)

1.5 Who is eligible for voluntary benefits and employee savings/discounted goods & services?
UoY employees only.

1.6 UoY employees with more than one job (UoY employment only)
Salary exchange and tax/NI calculations will be based on aggregated actual salary (ie notional salary multiplied by number of hours worked).

2 UoY’s prioritisation of salary exchange benefits
1. Pensions Extra (USS or UoY)
2. Childcare Extra
3. Nursery Extra
4. CycletoWork Extra

3 Can employees take advantage of Childcare Extra and Nursery Extra together?
In theory, yes but there may be an impact on Child and/or Working Tax Credits.
4 Rewards Extra scheme renewal date
October each year.

5 Rules for leaving/joining Rewards Extra scheme
5.1 Salary exchange schemes only

5.1.1 Pay Protection Limit (PPL)
- The actual salary limit set by the University below which salary exchange cannot take place (in line with HMRC salary sacrifice guidelines relating to National Minimum Wage and Lower Earnings Limits for NI purposes).
- The limit will be reviewed on an annual basis in April in line with revised HMRC Lower Earnings and Primary Threshold rates.
- The Pay Protection Limit set by the University for tax year 2016/17 is £8,200 per annum.

5.1.2 Salary drops below Pay Protection Limit
An employee will automatically be taken out of salary exchange (or salary exchange benefits will be taken in UoY’s order of prioritisation)

5.1.3 Salary increases to above Pay Protection Limit
Employees will be able to opt back in at scheme renewal date (October) unless a lifestyle change takes place before that date

5.2 Salary exchange, voluntary benefits and employee savings

5.2.1 At time of annual renewal date (October) – joining schemes
Employees may join any Rewards Extra scheme subject to the following conditions that specifically relate to salary exchange schemes:
- Employees may only join a salary exchange scheme once in any 12 month period
- Subject to the above condition, employees who opted out of a salary exchange scheme because of a lifestyle change, may opt in again at the time of annual renewal (October)

5.2.2 At time of annual renewal date (October) – leaving schemes
- Employees may leave voluntary benefit schemes
- Most salary exchange schemes are for a minimum period of 12 months so if an employee has been in a scheme for less than 12 months at the next renewal date, they cannot leave the scheme unless they experience a “lifestyle change” or at the next annual renewal date.
- If an employee has been in a salary exchange scheme for more than 12 months at the annual renewal date, they may leave a scheme at that time (provided they have not entered into another annual agreement for a bus ticket, bicycle, car parking permit or for a Nursery place)
- In any of the above circumstances, an employee can leave one or more salary exchange schemes

5.2.3 Employee experiences a lifestyle change
An employee may opt out of a salary exchange or voluntary benefits scheme if any of the following lifestyle changes occurs (see definitions below).

5.2.4 Defined lifestyle changes: entire scheme
- Marriage or civil partnership
- Birth or at key stages in adoption of a child
• Becoming pregnant/notification of pregnancy or commencement of/return from maternity leave
• Divorce/legal separation/dissolution of civil partnership
• Death of a partner or dependant
• Commencement of or return from long-term sick leave
• Redundancy of partner or other involuntary loss of job
• Commencement of or return from unpaid leave of greater than 3 months (adoption, paternity, sabbatical, career break, etc.)
• A significant change in hours
• Decrease in notional salary of 20% or more
• Commencement of or return from a secondment
• University initiated changes to contractual terms and conditions
• A significant reduction in earnings as a result of changes in legislation (eg employment law, increased tax and/or National Insurance contribution rates) or increases to contributions imposed by benefit providers

5.2.5 Defined lifestyle changes: specific salary exchange schemes
• Pensions Extra (USS & UoY) - Leaving USS or the University of York Pension Fund
• Pensions Extra (USS & UoY) - Reaching State Pension age
• Pensions Extra (USS & UoY) - Change of grade leading to change of pension scheme membership
• Childcare Extra or Nursery Extra - A significant change in childcare circumstances or eligibility for childcare grant for children over 3 years old
• CycletoWork Extra – Moving home, theft of bicycle, change of mode of transport to work, loss of driving licence
• Rail Season Ticket Loan – Moving home, expiry of previous season ticket, change of mode of transport to work, loss of driving licence
• Annual Bus Ticket Loan – Moving home, expiry of previous bus ticket, change of mode of transport to work, loss of driving licence

6 New Employees – rules on joining Rewards Extra schemes

6.1 Rewards Extra
With the exception of Pensions Extra, which employees can join from day one of employment, membership of schemes will be effective from the beginning of the second month of employment, subject to election periods.

6.2 Pensions Extra USS
• Will be automatically opted into salary exchange (i.e. negative/implied consent) (unless on a fixed-term contract of less than 2 years – see 8.1)
• Contracts for new employees will be reviewed accordingly

6.3 Pensions Extra University of York Pension Fund
• Employees are not automatically opted into the University of York Pension Fund but if they do join, the default will be that they are opted into salary exchange (i.e. negative/implied consent) (unless on a fixed-term contract of less than 2 years – see 8.1)
• University of York Pension Fund rules and contracts for new employees will be reviewed accordingly

7 Notional basic salary (pre-salary exchange pay)
7.1 Definition
Annual basic salary for the salary point and grade for an individual’s role or the annual protected salary for the individual if this is different.

7.2 Use of notional basic salary
- For payments and benefits based on salary, e.g.
  - National pay adjustments and incremental progression
  - Overtime
  - Fixed pay elements, e.g. shift pay, unsocial hours enhancements
  - Confirmation of salary, references for mortgage applications, etc.
- Any fixed payments (i.e. shift and unsocial hours) will be added to notional basic salary for salary confirmation purposes.

7.3 Definition of pensionable salary (University of York Pension Fund)
Annual notional basic salary excluding bonuses and overtime and any other fluctuating payments but including shift pay, enhanced payments forming part of a regular shift pattern and any other payments which are a planned and a regular part of salary.

7.4 Statutory/enhanced redundancy pay
- Statutory based on post-salary exchange pay
- UoY enhanced redundancy pay is based on notional salary

7.5 Voluntary severance payments
No on-going voluntary severance scheme. Policy provision would be determined and agreed as and when appropriate.

7.6 Payment/repayment of holiday upon leaving UoY
- Any remaining holiday will be paid based on notional salary
- Any repayment for overpaid holiday will be based on notional salary

8 Pensions Extra (USS & UoY)
8.1 Opt in/opt out: Negative/implied or positive consent
- All employees who are members of USS or the University of York Pension Fund will automatically be opted into Pensions Extra unless they are on a fixed-term contract of less than two years. These employees will be given the option to opt in to Pensions Extra but advised that that they will not be entitled to a refund of contributions if they leave within two years.
- Each employee will receive all relevant information about Rewards Extra in their letter of appointment and accompanying pack and will be given sufficient notice to opt out of Pensions Extra should they so wish.

8.2 Members over State Pension age who no longer make NI contributions
Will be encouraged to take part in Pensions Extra as UoY is still able to save NI on its employer contributions into the pension schemes.

8.3 Women paying NI at the reduced married women’s rate
Will be encouraged to take part in Pensions Extra as UoY is still able to save NI on its employer contributions into the pension schemes.
9 Pensions Extra USS
Refunds of contributions are not generally available as a result of participating through Pensions Extra and that the benefits are calculated in line with the rules of the USS pension scheme. For more information, see [http://www.york.ac.uk/admin/hr/pensions/uss.htm](http://www.york.ac.uk/admin/hr/pensions/uss.htm).

10 Pensions Extra University of York Pension fund
Refunds of contributions are not generally available as a result of participating through Pensions Extra and that the benefits are calculated in line with the rules of the University of York Pension Fund. For more information, see [http://www.york.ac.uk/admin/hr/pensions/uoy.htm](http://www.york.ac.uk/admin/hr/pensions/uoy.htm).

11 AVCs
Salary Exchange is not available for AVCs at present

12 Impact on S2P
- Both USS and the University of York Pension Fund are contracted out of S2P. This means that any impact on individuals will be minimal and will be outweighed by the NI savings.
- Employees will be bought back into the S2P scheme where required.

13 Leave of Absence
*Full wording of separate policies still to be worked upon and agreed*

13.1 Paid Absences (100% pay)
Salary exchange and voluntary benefits can continue as normal.

13.2 Part-Paid Absences
Salary exchange can continue subject to the University’s Pay Protection Limit. Voluntary benefits will continue unless the employee completes a lifestyle change and elects for the benefits to cease.

13.3 Unpaid Absences
Statutory payments (SMP & SSP) cannot be reduced by salary exchange. Voluntary benefits will continue unless the employee completes a lifestyle change and elects for the benefits to cease.

14 Contractual Changes
Variation of terms and conditions of employment can be done electronically.