

# IFS policy on employing and paying staff

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## 1 PAY

### 1.1 IFS approach to pay

The principles are to pay staff a fair salary that is competitive within the charity sector, proportionate to the complexity of each role, and responsible in line with our charitable objectives. The Board of Trustees is responsible for deciding on the salary of the Director.

### 1.2 Pay policy

We commit to paying our staff a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role, and in line with our charitable objectives. From time to time, salaries are benchmarked using data available from organisations employing staff with comparable skills. We are committed to paying all staff in line with the Campaign for a Living Wage.

### 1.3 Equal pay policy

IFS supports the principle of equal opportunities in employment and believes as part of that principle, that staff of different age, race, disability, sexual orientation, gender, marital or civil partnership status, religion or belief and non belief and regardless of whether or not pregnant or on maternity leave, will receive equal treatment. Employees should receive equal pay for the same or broadly similar work.

### 1.4 London Living Wage

IFS pays all of its staff at a level above the London Living Wage. Our building services provider, Knight Frank, has confirmed that its staff are also paid at a level above the London Living Wage. Cleaners who work on the premises are also paid above that level.

## 2 RESEARCH STAFF: SALARY SCALE

The Institute operates salary scales for most research staff. These scales are reviewed annually in December following discussions with IFS staff representatives. Following this review, your salary may be increased from time to time at the Institute's discretion, provided that the maximum of the scale is not exceeded, and without affecting the other terms of your employment. There is no obligation to award an increase. There will be no review of the salary after notice has been given by either party to terminate your employment.

### 2.1 Salary scales and grades

The Institute normally operates salary scales for research and some administrative staff. (These scales are reviewed annually in quarter 4 following discussions with IFS staff representatives).

### 2.2 Increments

- a) Subject to performance, annual increments may be granted provided that the maximum of the scale is not exceeded. Increments are considered each year during the annual review process.

- b) Should the member of staff wish to appeal any decision they can do so under the provisions set out in these Conditions of Service.

### 2.3 Promotion

- a) Research Economists and Senior Research Economists will be considered for promotion as they approach the top of the scale.
- b) Any movement to a higher scale, for both researchers and support staff, will be discussed as part of the annual review process or at other times as might be appropriate.

### 2.4 Miscellaneous salary provisions

- c) Salaries are paid monthly in the middle of the month and are liable to statutory and other agreed deductions (e.g. PAYE, superannuation, National Insurance).
- d) Salaries are normally paid by bank transfer.
- e) Salaries will not be authorised for payment until the Head of Finance has received a letter of acceptance of appointment.
- f) Time off in lieu or overtime payments are only made to administrative staff when agreed in advance with their line manager and for work carried out outside of their normal office hours. Overtime can be either taken in money or by time off in lieu at the discretion of the Head of Finance.
- g) In the event that IFS makes an accidental overpayment it reserves the right to alter a future salary payment with a like for like compensating adjustment.

### 2.5 Apportionment of salaries

The salaries provided by the scales will be apportioned as follows:

Annual Salary paid monthly	For each calendar month	For each day worked divide the
	1/12th of the annual salary.	annual salary by 260.

## 3 PROBATIONARY PERIOD

The probationary period is normally set at three months in the first instance, unless otherwise specified in the contract of employment. The purpose of a probationary period is to provide a framework for identifying and resolving any early difficulties which may occur in the performance of the job and to provide for early termination of employment if such difficulties are not resolvable during this period or during any extended period if so agreed.

During the probationary period, the period of notice for either party is one week. In other respects, the employee is entitled to the same benefits as other employees. Notice may be given before the end of the probationary period.

During the probationary period the line manager is responsible for ensuring that:

- the new employee receives a full induction;
- the employee has the opportunity to discuss problems and training needs;
- the employee receives feedback on their performance.

### 3.1 Probationary review meetings and extension of the probationary period

- A probationary review with the Programme Director takes place at the end of two months. If there is a possibility that the employee's employment will not be continued after three months, they will be told at this meeting.
- A three-month probationary review takes place shortly before the end of the three month period.
- After the three-month review meeting, the manager will supply the employee with written confirmation of the outcome of the probationary review.
- In exceptional circumstances, the probationary period may be extended.

## 4 PENSION SCHEME

The Institute complies with its employer pension duties in accordance with Part 1 of the Pensions Act 2008.

The Institute use postponement to postpone the assessment of all new employees by three months. After three months, on the "deferral date" assessment takes place. Thereafter, every non-eligible jobholder and entitled worker (as defined in the legislation) is reassessed each pay reference period (i.e. every month).

Employees may opt in or join the pension scheme of their own accord (Non-automatic enrolment joiners). In such cases, if they are eligible jobholders under the Pensions Act 2008, the IFS will make employer contributions and deduct employee contributions as if the individual had been automatically enrolled (i.e. at the levels set out in the table below).

Employees may opt out the pension scheme at any time, in such case they'll notify the Head of Finance or their delegated representative in the Finance team in writing.

The minimum level of contributions required by legislation is being increased in stages.

IFS contributions are based on total earnings, as opposed to qualifying earnings (qualifying earnings being earnings between the Lower Earning Limit and the Upper Earnings Limit).

#### **IFS auto-enrolment contributions (for people with less than 2 years' service)**

##### ***Percentages applied to total salary***

<b>Year</b>	<b>Employee contribution (incl tax relief)</b>	<b>Employer contribution</b>	<b>Total contribution</b>
October 2012 to March 2018	0.8%	1.0%	1.8%
April 2018 to March 2019	2.4%	2.0%	4.4%
From April 2019	4.0%	3.0%	7.0%

After two years of service, the IFS will increase employer contributions to 7.5% of salary, regardless of the level of employee contributions.

## 5 PERIODS OF NOTICE TO TERMINATE EMPLOYMENT

The period of notice required to terminate a member of staff's appointment will be clearly defined in their contract of appointment.

## 6 Policy review

### 6.1 Summary of reviews

Date	Reviewed by	Issues found	Action taken	Notes
15/5/23	SSS	Minor issues	Small edits made; change to living wage information because of landlord change in personnel	

### 6.2 Log of changes made

Date	Changes made	Changes made by	Major or minor change?	Approved by (major changes only)
15/5/23	Minor edits to text	SSS	Minor	EH
15/5/23	Change to living wage information because of new landlord.	EH	Minor	EH