

**NALC 2020-21 National Salary Award**

The National Joint Council for Local Government Services (NJG) has agreed the new pay scales for 2020-21 to be backdated from 1 April 2020 - an increase of 2.75%.

Hennock Parish Council's Clerk is paid £14.50p/hr (SCP 24) - this payscale has increased to £14.90p/hr

The Clerk works 21 hours per week: existing monthly gross salary is £1319.50 (£14.50p/hr x 21 hours x 52 weeks divided by 12 months)

The new payscales will increase the monthly salary to £1355.90 (£14.90p/hr x 21 hours x 52 weeks divided by 12 months) - an increase of £436.80 p.a. to £16270.80p.a

There will also be increases in employers NI contributions and pensions as follows:

NI: The Parish Council would pay nothing on the first £732 & 13.8% on earnings between £732.01 & £1355.90 i.e. 13.8% x £623.89 = £86.10p/m = £1033.20p.a

N.B. The monthly threshold has increased from £719 to £732 and so the NI payments will be less than in the budget despite the pay increase.

Pension: Qualifying earnings for 2020-21 are between £6240 & £50000.

The Parish Council would pay (£16270.80 less £6240) x 3% = £300.92p.a

N.B. This is more-or-less inline with budget (£300) because the qualifying earnings threshold has increased for 2020-21 from £6136 to £6240

In summary, the impact on the Parish Council's finance of the increase in payscale compared with the 2020-21 budget would be as follows (rounded to the nearest £):

	Budget £	New payscale £	Change £
Salary	16150	16271	121
Employers's NI	1038	1033	-5
Employer's pension	300	301	1
Mileage	121	121	0 <i>Assumes no change to budget</i>
<b>Total</b>	<b>17609</b>	<b>17726</b>	<b>117</b>

**Backdated pay**

The new payscale is being backdated to 1 April 2020 and, subject to the Parish Council's agreement, if the new salary is started in September and the backdated payment is made in September, the backdated payment will be £162.35 calculated as follows:

	£
April (14 days) Increase of £0.40p/hr x 21 hours x 52 weeks divided by 365 days x 14 days	16.75
May £0.40p/hr x 21 hours x 52 weeks divided by 12 months	36.40
June £0.40p/hr x 21 hours x 52 weeks divided by 12 months	36.40
July £0.40p/hr x 21 hours x 52 weeks divided by 12 months	36.40
Aug £0.40p/hr x 21 hours x 52 weeks divided by 12 months	36.40
<b>Total backdated pay:</b>	<b>162.35</b>