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**INCREMENTS OF PAY AND COST OF LIVING ALLOWANCE (CROWN EMPLOYEES  
AND PENSIONERS) ORDINANCE 2012**

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**INCREMENTS OF PAY AND COST OF LIVING ALLOWANCE (CROWN EMPLOYEES  
AND PENSIONERS) ORDINANCE 2012**

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An Ordinance to provide for a freezing of increments to pay and cost of living allowance for  
Crown employees and of pensions for Crown pensioners

**G. E. STACEY**  
**ADMINISTRATOR**

*11th May 2012.*

**BE** it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

**PART 1**

**Preliminary**

**1. Short title and commencement**

- (1) This Ordinance may be cited as the Increments of Pay and Cost of Living Allowance (Crown Employees and Pensioners) Ordinance 2012 and comes into force on the day after it is published in the Gazette.
- (2) Despite subsection (1), this Ordinance is to have effect as if it had come into force on 1 January 2012.
- (3) Subject to subsection (4), this Ordinance expires on 31 December 2013.
- (4) This Ordinance remains in force after 31 December 2013 for the purposes of sections 5, 7 and 11.

**2. Interpretation**

- (1) In this Ordinance—
  - “the Crown” means Her Majesty in right of Her Government in the United Kingdom and in right of Her Administration in the Areas;
  - “employment” means employment under a contract of employment or a contract of apprenticeship;

“pension” means a pension arising from a contract of employment, a provision of any other Ordinance or any administrative arrangement, and includes a pension paid to a person in respect of a deceased person; and

“the Relevant Period” is the period beginning on 1 January 2012 and ending on 31 December 2013.

- (2) A reference to “employee” is to be read by reference to the definition of employment.
- (3) For the purposes of this Ordinance, a person holding office is an employee.

### **3. Application**

- (1) Subject to subsection (2), this Ordinance applies to the pay of an employee of the Crown or the pension paid arising from a person’s previous employment with the Crown.
- (2) This Ordinance does not apply in relation to pay or pension paid by the Crown to a person who is or was employed or in service as—
  - (a) a member of Her Majesty’s Forces;
  - (b) a member of the Civilian Component as defined in paragraph 1(b) of section 1 of Annex C to the Treaty of Establishment; and
  - (c) a person enjoying the rights and facilities of members of Her Majesty’s Forces by virtue of paragraph 3 of section 9 of Part II of Annex B to the Treaty of Establishment.

## **PART 2**

### **General Provisions**

#### **4. Freezing of increments**

- (1) Subject to subsection (2), notwithstanding the provisions of any other Ordinance or contractual or administrative arrangement or practice, the increments payable to an employee are not to increase during the Relevant Period.
- (2) If an employee is promoted during the Relevant Period, the employee’s pay is to be determined in accordance with section 6.

#### **5. Service during Relevant Period does not count for increments**

- (1) Service during the Relevant Period is not to be taken into account for the purpose of calculating an employee’s increments.
- (2) Where a continuous period of employment is required in order for an employee to qualify for an increment in accordance with an Ordinance, administrative or contractual arrangement or practice, for the purposes of calculating the period of employment, the calculation is to be made—
  - (a) without taking account of the Relevant Period; but
  - (b) as if the period of employment ending on 31 December 2011 and the period of employment beginning on 1 January 2014 were continuous.

#### **6. Payment of increment on promotion**

- (1) If an employee is promoted during the Relevant Period, subject to subsection (2), the employee is to be paid the increment for the promoted post in accordance with the Ordinance, administrative or contractual arrangement or practice which applied on 31 December 2011.
- (2) In order to determine the number of increments awarded on promotion, no account is to be taken of the employee’s service during the Relevant Period.

#### **7. Payment of increment for periods of unpaid leave**

- (1) This section applies where an employee, other than an employee who has a common fixed increment date of 1 April each year, takes unpaid leave during the Relevant Period.
- (2) Subject to subsection (4), the date from which the employee is next to be paid an increment (the “current increment date”) after the Relevant Period is deferred by the period specified in subsection (3).

- (3) The period is—
- (a) the total number of days of unpaid leave; plus
  - (b) ,if necessary, a further number of days in order that the new increment date falls on the first day of the following month.
- (4) Subsection (2) does not apply if —
- (a) the unpaid leave is authorised as taken for reasons of public benefit;
  - (b) the unpaid leave is taken in accordance with the Parental Leave and Leave on Grounds of Force Majeure Ordinance 2002(a); or
  - (c) during the 12 month period of service preceding the current increment date, the number of days of unpaid leave taken by the employee, to which paragraph (a) or (b) does not apply, amounts to 15 days or less.

#### **8. Payment of interrupted or deferred increment**

The provisions of this Ordinance apply where—

- (a) due to unsatisfactory service, an employee’s increment is deferred or withheld; and
- (b) the effect of the deferral or withholding of the increment ceases during the Relevant Period.

#### **9. Freezing of cost of living allowance**

During the Relevant Period, notwithstanding the provisions of any other Ordinance, contractual or administrative arrangement or practice, the amount of the cost of living allowance remains that in effect on 31 December 2011.

#### **10. Freezing of pension**

During the Relevant Period, notwithstanding the provisions of any other Ordinance, contractual or administrative arrangement or practice, the amount of a pension payable—

- (a) where payment commenced before 31 December 2011, remains that in effect on that date; or
- (b) where payment commences during the Relevant Period, remains the amount set at the date of commencement.

#### **11. Review**

For the purpose of reviewing the cost of living allowance and the amount of a pension payable from 1 January 2014, the Administrator may take account of any contemporaneous revision of the rate of the cost of living allowance and to the rate of increase of pension made by the Republic.

#### **12. Power to make regulations**

The Administrator may make regulations by way of public instrument for the more effective application of this Ordinance.

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**Notes**  
(a) Ordinance 39/02.

## EXPLANATORY NOTE

**(This note is not part of the Ordinance)**

### Introduction

1. This explanatory note relates to the Increments of Pay and Cost of Living Allowance (Crown Employees and Pensioners) Ordinance 2012. It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.

2. The note should be read in conjunction with the Ordinance. It is not, and is not meant to be, a comprehensive description of the Ordinance. So when a section or part of a section does not seem to require any explanation or comment, none is given.

### Particular points

3. The purpose of the Ordinance is broadly to replicate the effect of the Republican Non-Payment of Increments and of Cost of Living Allowances to the Salaries of Officers and Employees and to the Pensions of Pensioners of the Government Service and the Wider Civil Service Law of 2011 (192(I)2011).

4. With the exception of sections 5, 7, and 11, the Ordinance stops having effect after 31 December 2013. As defined in the Ordinance, the Relevant Period means the period starting on 1 January 2012 and ending on 31 December 2013.

5. The Ordinance only applies to Crown employees and those in receipt of a pension from the Crown. It does not apply to Crown servants or pensioners who are paid under UK arrangements or legislation, the principal categories being those who serve or served as members of the Armed Forces or as UK-based civil servants.

6. Section 4 provides that increments awarded to employees are frozen during the Relevant Period and therefore during the Relevant Period an employee remains at the same level of pay as he or she was entitled to on 31 December 2011.

7. Section 5 provides that an employee's period of employment during the Relevant Period is not taken into account when calculating the length of an employee's employment for the purpose of establishing incremental progression. When calculating length of employment for the purpose of establishing the level of increment it will be as though 1 January 2014 is the day after 31 December 2011.

8. Section 6 provides that, if an employee is promoted during the Relevant Period, the amount of pay for the promoted grade is the amount set as at 31 December 2011. Service during the Relevant Period is not taken into account even if it would affect the level of increment the employee would otherwise be entitled to in the promoted grade.

9. Section 7 provides that if, during the 12 month period preceding the employer's current increment date, an employee takes one or more periods of unpaid leave and more than 15 days of this leave was not authorised for reasons of public benefit or were not taken pursuant to the Parental Leave and Leave on Grounds of Force Majeure Ordinance 2002, they are deducted in order to defer an employee's increment date. Also, if necessary, a further number of days is deducted to ensure that the employer's increment date falls on the first day of the following month. For example, if an individual's increment date was 1 February and the person has taken 16 days of unpaid leave not attributable to the permitted reasons in the preceding year, the person's new incremental date is 1 March. This provision does not apply to those British Forces Cyprus employees who have a common fixed increment date of 1 April.

10. Section 9 applies to employees and section 10 to pensioners. Cost of living allowance (COLA) and the rate for increasing pensions are frozen during the Relevant Period. Both the rates for COLA and for pension increases are based on the Republican RPI. In accordance with section 11, when these allowances are reviewed as from 1 January 2014, account may be taken of any revision of these rates made by the Republic at that time.

(SBA/AG/2/EM/609)