

Market Supplements Policy for Grades 1-9

Version Control

Version Number	UEB Sponsor	Approval Body/Officer	Date of approval
4	Director of People and Culture	Director of People and Culture	January 2026

This policy must be read in conjunction with the [Market Supplements Procedure for Grades 1-9](#).

For queries on this policy please contact:

[Local College and Professional Services HR Teams](#)

1. Purpose and Scope

- 1.1 The use of 'Market Supplements' provides Cardiff University with a mechanism to address pay related recruitment and retention issues, whilst ensuring compliance with provisions within the Equality Act (2010). The act specifies the requirement to justify financial differences between jobs of equal value.
- 1.2 These issues often exist due to external labour market pressures. In exceptional circumstances this may lead to both internal staff and external candidates who possess skills and expertise that are in short supply, being able to command relatively higher salaries than the grade maximum provided under the University's pay and grading structure.
- 1.3 Market Supplements are not a mechanism to award performance.
- 1.4 Cardiff University is committed to equality of opportunity and to promoting an ethos of dignity, courtesy and respect throughout the organisation. The University promotes equality of opportunity by ensuring that all staff have access to its programmes, services and facilities.
- 1.5 Market supplements will only be awarded where there is a clear business case. No offer of a Market Supplement is to be communicated or confirmed until that business case has been considered and approved by the Head of Leadership and Staff Development.

2. Policy

- 2.1 Cardiff University is committed to the principles of equal pay for work of equal value and operates a single job evaluation scheme to measure the relative value of all jobs used to grade roles on the National Framework Agreement. In conjunction with the Higher Education Role Analysis (HERA) job evaluation mechanism, this policy will:
 - Ensure the award of Market Supplements is objectively justifiable.
 - Comply with best practice and equal pay legislation.
 - Provide a means for objectively justifying the need to offer different rates of pay to staff whose work is of equal value.
 - Provide a mechanism for removing supplements when they are no longer warranted.
 - Seek to ensure that the University recruits and retains the best staff.
 - Seek to ensure consideration is given to the relative market value of acquiring the skills required and the financial impact of this.
- 2.2 A Market Supplement is paid in addition to the salary for a post(s) where external market pressures would otherwise prevent the University from being able to recruit or retain staff in sufficient numbers at the normal salary for jobs at that grade.

- 2.3 Eligibility for Market supplements may be applied to any role, regardless of contractual arrangements. This policy covers grades 1-9, non-clinical staff. For senior staff, please contact your College/Professional Services HR Manager.
- 2.4 For employees who require or have a Certificate of Sponsorship (CoS), the University has certain responsibilities in relation to migrant workers who have been issued with a CoS under Tier 2 of the Points Based System. Please contact your College/Professional Services HR Manager for more information before using this policy.
- 2.5 Market Supplements can be applied for either recruitment or retention issues. For more details see the Market Supplements Procedure for Grades 1-9.
- 2.6 Market supplements can be either a **one-off lump sum payment**, or an **addition to base salary** to match the evidenced external market rate. Market supplements are applied for a specified fixed period and are subject to regular review, after which they can be increased, reduced or withdrawn. This is undertaken by the Head of Leadership and Staff Development after review by the HR Reward Manager.
- 2.7 Market supplements are non-pensionable and are not subject to national pay awards.
- 2.8 Market supplements will be subject to National Insurance, PAYE income tax and will be taken into consideration in the calculation of all statutory and occupational entitlements e.g. family-friendly leave and redundancy payments. However, for the calculation of all other payments, market supplements will not be included.
- 2.9 Market supplements are applied only to the post(s)/individual(s) noted in the business case unless otherwise advised by the Head of Leadership and Staff Development after review by the HR Reward Manager.
- 2.10 Where a Market Supplement is approved, the value will be determined by the difference between the University's normal pay rate for the post, as determined by role analysis, and the market rate for the role.
- 2.11 The Market Supplement will be paid in addition to basic salary and will be expressed as a gross sum. The supplement will be identified separately from other pay components on the pay advice slip.
- 2.12 Market supplements are reviewable as specified in the business case and usually within 2-3 years of being implemented. They can be adjusted and removed. Please see Market Supplements Procedure for Grades 1-9 for more details.
- 2.13 Where a staff member has received a one-off recruitment Market Supplement or a retention supplement and leaves the University within three years of the supplement being awarded, they will be required to reimburse a proportion of the amount paid to them. Please see Market Supplements Procedure for Grades 1-9 for more details

3. Roles and Responsibilities

- 3.1 **Sponsor:** Director of People & Culture
- 3.2 **Owner:** Head of Leadership and Staff Development. Responsible for ensuring that the policy complies with employment law and regulations.

- 3.3 The **Reward Manager and HR Business Partner (Policy and Projects)** are responsible for advising the policy and procedure to HR colleagues and reviewing each market supplement case before presenting to Head of Leadership and Staff Development for approval.
- 3.4 **College/Professional Services HR teams** provide support and advice to managers of the policy and procedure ensuring Market Supplements are objectively justifiable and complies with best practice and equal pay legislation.
- 3.5 **Line Managers** should consider requests fairly and consistently. Line Managers are required to discuss the case with the relevant HR Manager/HR Business Partner before proceeding with a case. The Line Manager completes the Market Supplement Application Form to provide information and evidence within a business case to demonstrate the need for a Market Supplement. This information is required to justify the decision to grant a Market Supplement should there be any challenge to this, such as an equal pay claim.
- 3.6 **Head of School/Director of Professional Services** is responsible for reviewing and decide whether to support such as case or not. They should seek advice from their HR Manager/Business Partner.
- 3.7 **HR Managers/HR Business Partners** are responsible for discussing and advising the College Pro Vice Chancellor/Chief Operating Officer of each case for their approval or not.
- 3.8 **Employees:** Staff who are awarded a market supplement are responsible for reading the policy and understand the terms and conditions of this.
- 3.9 **HR Admin team** within HR Service Centre are responsible for providing the details of the approved market supplement in the staff's contract and filing all necessary documentation.
- 3.10 **Payroll team** are responsible for ensuring the market supplements are processed and that payments are made in line with statutory regulations.

4. Monitoring and Review

- 4.1 The HR Department will monitor the process of awarding market supplements in line with the University's Strategy. The HR department will also take responsibility for reviewing the overall effectiveness of the Market Supplement policy and for monitoring the equal opportunity impact of the scheme.

5. Related Policies and Procedures

- 5.1 [Market Supplements Procedure for Grades 1-9](#)
- 5.2 [Market Supplement Application Form](#)