

People and Organisational Development  
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# Report

**Subject** : Severance Payments  
**Report to** : Joint Consultative Forum  
**Date** : Tuesday 01 July 2008  
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## 1 Introduction:

Recent guidance received from the DCLG in relation to staffing regulations indicates that all new future unitary councils should attempt to harmonise severance payments as soon as possible. Discussions are, therefore, taking place between all Wiltshire councils to harmonise our severance payment arrangements. Following agreement in principle between HR reps from all councils and continuing consultation with the unions a proposal has been prepared and has been incorporated into our current 'Security of Employment and Redundancy' procedure (**Appendix 1**) and our 'Employers' Discretions Policy Statement on Local Government Pension Scheme and Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006 (**Appendix 2**)  
Copies of the new drafts are attached for your information.

## 2 Current Arrangements:

Salisbury District Council's current severance arrangements are as follows:

- An employee who is over 50 years of age and a member of the Local Government Pension Scheme (LGPS) will normally be granted added pension using the following table

Reckonable Service	Added Years Entitlement
5 – 10	2
10 - 15	3
15 - 20	4
20 +	5

- The council will pay enhanced redundancy payments for those staff under the age of 50 whose employment is terminated on the grounds of redundancy in line with the Local government (Early Termination of Employment)(Discretionary Compensation) Regulations 2000. (These regulations are no longer in existence) This will only be applied if the employee is aged between 40 and 50 and has a minimum of 20 years pensionable service.



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### 3 **Wiltshire Proposals:**

- To adopt the 2006 Discretionary Compensation Regulations based upon a multiplier of four times the number of weeks of pay to which entitled under the statutory redundancy payment scheme (but subject to a maximum 104 weeks). Or
- Augmentation of reckonable service graduated as follows:
  - Less than 5 years reckonable service – no augmentation
  - 5 years up to 10 years reckonable service – 2 years
  - 10 years up to 15 years reckonable service – 3 years
  - 15 years up to 20 years reckonable service – 4 years
  - 20 years + reckonable service – 5 years.
- Employees aged over 50 who are in the LGPS will be eligible to apply for either of the above but with the chosen benefits capped if necessary at the level of cost arising from applying the Discretionary Compensation Regulations multiplier. This needs final agreement by the Implementation Executive as this is an amendment to the originally agreed document. The proposed amendment was put forward by the trades unions and agreed by Richard Woodruffe and the District Heads of HR on the basis that it removed potentially age discriminatory implications from the proposals.
- That the proposed severance arrangements be adopted specifically for local government reorganisation and be reviewed no later than April 2011. At the time of writing this paper, a request from the cross Wiltshire trades unions to extend this arrangement to April 2012/13 was being considered but no decision had been made.

### 4 **Outcomes:**

- If all Wiltshire councils adopt these proposed arrangements it will harmonise arrangements across the county in line with DCLG recommendations.
- In general terms, the trades unions are supportive of this approach.
- Equalities issues are appropriately dealt with in the proposed arrangements.
- It is not possible to assess the exact cost implications for Salisbury District Council. Funding arrangements in relation to any redundancies that arise before 1 April 2009 will need to be agreed between Salisbury District Council and Wiltshire County Council.
- Any redundancies arising for any other reasons will need to be funded by Salisbury District Council.
- Any new arrangements adopted will be subject to final agreement with the trades unions.

### 5 **Recommendations:**

- that whatever is agreed by the Implementation Executive in relations to the 'capping' is also adopted by Salisbury District Council.
- that if the request from the trades unions to extend these severance payment arrangements beyond 2011 is agreed by the Implementation Executive that this is incorporated into the Salisbury District Council policy. In practice this decision will have no impact on the current Salisbury District Council.
- that JCF recommends to Cabinet the adoption of the proposed severance payment arrangements.

### Security of Employment and Redundancy Procedure (Amended May 2008)

#### 1 **Introduction:**

- 1.1 It is the Council's intention to ensure as far as possible security of employment for its employees. It is recognised, however, that from time to time pressures including financial restrictions, loss of contracts, organisation requirements and other factors may affect staffing levels or the need for particular types of jobs and redundancies may become necessary. The Council is committed to minimising the effect of such redundancies and will give reasonable support to the employees affected.

#### 2 **Legal Definition:**

- 2.1 A redundancy exists when

- an employer ceases or intends to cease to carry on the business for the purposes for which the employee was employed, or ceases or intends to cease to carry on that business in the place where the employee was so employed or
- the requirements of that business for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the place where he/she was so employed has ceased or diminished or expected to cease or diminish.

#### 3 **Application:**

- 3.1 This policy applies to all employees of Salisbury District Council

#### 4 **Principles:**

- 4.1 This policy applies to all employees of Salisbury District Council

- 4.2 All redundancies must have the authorisation of Full Council.

- 4.3 Personnel and Training Services will play a central role in the operation of this procedure.

- 4.4 Redundancies will be handled with care and sensitivity and all reasonable steps will be taken to ensure that decisions regarding redundancies are consistent and fair.

- 4.5 All employees who are at risk of redundancy are entitled to be represented by their trade union rep or a workplace colleague.

- 4.6 This procedure has been developed by management in consultation with the trade unions and is fully supported by both parties. The part which the trade unions play in supporting this policy is considered to be of vital importance and the policy is designed with an emphasis on maintaining harmonious working relationships between all relevant parties at all times.

#### 5 **Notification:**

- 5.1 The Council is required to give written notification to the Department of Trade and Industry if it intends to make posts redundant, as follows:

- 90 days notice if 100 or more employees are to be made redundant
- 30 days notice if 20-99 employees are to be made redundant
- no notification is required if less than 20 employees are to be made redundant.

## 6 **Consultation:**

6.1 Current employment legislation requires that if redundancies are proposed then the Council must consult with recognised trade unions:

- at least 90 days before if 100 or more employees are to be made redundant and
- 30 days before if 20-99 employees are to be made redundant.

Wherever possible Salisbury District Council will offer the maximum consultation regardless of the number of employees affected.

6.2 Consultation with the appropriate recognised trade unions will take place even when those being made redundant are volunteers and regardless of whether they are members of the union.

6.3 Individual consultation will also take place with those employees who are under threat of redundancy. Individual consultation will include discussing ways of avoiding the redundancy, the possibility and practicalities of redeployment and any other relevant issues.

6.4 The periods of consultation with individuals and trades unions may run concurrently with the individual period of notice of the employees concerned. Consultation will, however, begin before individual notices are issued.

## 7 **Disclosure of Information:**

7.1 The Council will disclose to the appropriate recognised trade union the following information in writing as follows:

- reasons for redundancy
- numbers and categories of employees who are expected to be affected
- total number of employees in each category (approximate figures may be provided if actual numbers are not available)
- proposed method of selection for redundancies
- proposed period over which the redundancies are to take effect

## 8 **Measures to Avoid or to Minimise Compulsory Redundancies:**

8.1 Where appropriate the following measure will be used to reduce the number of compulsory redundancies:

- restricting recruitment
- seeking volunteers for redundancy. (see section 9)
- natural wastage – where employees leave of their own volition and their posts are eliminated.
- retiring all employees at the normal retirement age of 65
- redeployment (see section 14)
- reducing overtime – the reduction or elimination of overtime where this will create a job or jobs
- voluntary retirement of employees over the age of 50

## 9 **Voluntary Redundancies:**

9.1 On occasions voluntary redundancies may be appropriate to achieve the required reduction in the number of employees in any particular category of employment beyond that which can be obtained by natural wastage or normal retirement. The scheme is operated entirely at the discretion of the Council and there is no right of appeal against the Council's decision. Consultation will commence with the appropriate trades unions at the earliest opportunity. The procedural arrangements contained in this policy will apply.

9.2 On each occasion the Council will define the categories of employees from whom it is prepared to accept volunteers. Applications will then be invited from all relevant employees. A closing date will be applied.

- 9.3 If enough volunteers are not forthcoming from the defined categories of employees then the Council may, at its discretion, extend the invitation for volunteers to other areas of the Council.
- 9.4 The Council has an obligation to ensure that it is able to continue to provide its services. Volunteers for redundancy will, therefore, be considered against the following factors depending on the particular circumstances of the redundancies:
- skills required
  - expertise available
  - experience required.

**10 Selection Criteria for Compulsory Redundancies:**

- 10.1 Management Team in conjunction with the Head of Personnel and Training have the overall responsibility for deciding which employees are to be made redundant. Service Unit Heads in consultation with Personnel and Training Services should make recommendations regarding those individuals to be made redundant.
- 10.2 Where it is necessary to declare compulsory redundancies the following selection criteria will be used:
- self selection – certain posts are clearly identifiable, as that particular work will cease
  - standard of work performance – objective evidence must be used to support selection on these grounds. Evidence may be obtained from appraisal and related documentation.
  - disciplinary record – only current warnings will be taken into account
  - attendance record – documentary evidence of above average non-certified sickness absence (not related to a disability), unauthorised absence or poor timekeeping will be required. Valid documentary evidence will include attendance records.
  - capability and/or potential for adaptability and suitability for retraining for redeployment. Valid documentary evidence will include capability warnings, records of capability related meetings, training records and appraisal documentation.
  - Other measurable and objective criteria appropriate to the particular circumstances as agreed with the relevant trades unions.
- 10.3 All selection criteria will be applied in a reasonable, fair and objective manner in accordance with the Council's Corporate Diversity and Equalities in Employment Policy.

**11 Notice:**

- 11.1 Employees who are declared compulsorily redundant will be given notice in line with their contract of employment.
- 11.2 The Council will exercise its discretion sympathetically in permitting identified redundant employees to leave the Council's service before the expiry of the notice period. Entitlement to redundancy pay and added years (if applicable) will be recalculated accordingly. No compensation will be made for the unexpired period of notice unless paragraph 11.3 applies.
- 11.3 In some cases the Council may not require the employee to work out his/her notice. In such circumstances compensation will be calculated up to the end of his/her notice period.

**12 Severance Payments:**

- 12.1 Redundancy pay will be calculated using an actual week's pay (as at the date of formal notice being given). The calculation for an actual week's pay is given below:

$$\text{annual salary} \times \frac{7}{365}$$

Annual salary includes:

- Basic Salary
- Market Forces Enhancement
- Overtime payments averaged over the 13 week period ending on the day notice is given

The redundancy payment will be inclusive of statutory redundancy pay.

- 12.2 The number of weeks to be paid will be based on age and length of service in line with legislation applicable at the time. See appendix 1 for details.
- 12.3 Under current pension regulations an employee who is made redundant at age 50 or more is entitled to receive their full pension.
- 12.3.1 The council will adopt the 2006 Discretionary Compensation Regulations for redundancy payments which will be based on a multiplier of four times the number of weeks of pay to which entitled under the statutory redundancy payment scheme (but subject to a maximum of 104 weeks) based on actual weekly pay **OR**
- 12.3.2 The council will augment reckonable pensionable service graduated as follows:
- Less than 5 years reckonable service 0 years
  - 5 years up to 10 years reckonable service 2 years
  - 10 years up to 15 years reckonable service 3 years
  - 15 years up to 20 years reckonable service 4 years
  - 20 years and over reckonable service 5 years.

Employees who are aged over 50 who are in the Local Government Pension Scheme will be eligible to apply for either the application of 12.3.1 or 12.3.2 as above but with the chosen benefits capped at the level of cost arising from applying the discretionary compensation regulations.

- 12.4 Annual leave should be taken during the notice period. Where this is not possible, the Service Unit Head may authorise pay in lieu for each complete day of untaken leave. The calculation for a day's pay is given below:

$$\frac{\text{annual salary} \times 7}{365 \times 5}$$

- 12.5 Under current inland revenue regulations redundancy payments up to £30,000 are not liable for tax.
- 12.6 All continuous service with an organisation covered by the Redundancy Payments (Local Government) (Modification) Orders will be used to calculate redundancy payments.

### 13 **Loss of Entitlement to Redundancy Payments:**

- 13.1 An employee who would normally be entitled to a redundancy payment will lose this entitlement under the following circumstances:
- s/he commits an act of misconduct and is dismissed before the expiry of the notice period.
  - s/he leaves before the notice period has expired without the employer's agreement.

### 14 **Redeployment:**

- 14.1 Where an employee is in a potential redundancy situation the Council will undertake in the first instance to try to find suitable alternative employment from current Council vacancies. In practice no vacancies will be advertised until employees at risk of redundancy have been considered for redeployment into that vacancy. The opportunities for redeployment depend on whether there is a suitable vacancy. The Council is not obliged to create new posts for redundant employee.
- 14.2 Suitable alternative employment is defined as a post which provides similar earnings (up to two grades lower than their current post), have similar status, have similar weekly working hours, have similar or acceptable duties, be within the employee's capability and not involve unreasonable additional inconvenience to the employee. It is expected, however, that flexibility will be exercised by the employee and appointing manager.
- 14.3 Employees may not be redeployed to a post at a higher grade than the one in which they are currently employed. Individuals will be required to apply in the normal way for such posts.
- 14.4 The Council may allocate an employee to a vacancy for a trial period (see 14.11 for information regarding trial periods). An employee who refuses any offer of reasonable alternative employment

will still be dismissed as redundant but will forfeit their entitlement to a redundancy payment.

- 14.5 Employees will be provided with details of all vacancies within the Council until the date of their dismissal and be invited to express written interest in any suitable position. In order to ensure that this process is efficient and effective, such employees will be required to complete a standard curriculum vitae form for submission with any expressions of interest. (See appendix 3)
- 14.6 Where such interest is expressed and the appointing manager in consultation with Personnel and Training Services are satisfied that the employee meets the minimum requirements of the person specification or could undertake reasonable training to satisfy these criteria then they will be invited to attend an informal interview (see paragraphs 14.8 and 14.9).
- 14.7 If it is decided by the manager in conjunction with Personnel and Training Services that the employee is not suitable for redeployment to this post then s/he will be provided with the reasons in writing by the appointing manager.
- 14.8 If it is decided that the employee may be suitable for redeployment to this post then an informal interview will be arranged with the appointing manager and at least one other appropriate manager. Employees seeking redeployment under this policy must prepare properly for all interviews to which they are invited.
- 14.9 If, at this interview, the appointing manager has serious reservations about the suitability of the employee for the post then s/he may refuse to arrange a trial period. The employee will be provided with written reasons for this decision by the appointing manager.
- 14.10 An employee being offered a suitable alternative job is entitled to a four week trial period in the post. This period may be extended by mutual agreement to include any necessary training or to allow further time to make an assessment of the success of the redeployment.
- 14.11 During the trial period the employee will be employed on the terms and conditions applicable to the new post except for salary, where this is lower than the employee's existing grade (see section 16 for details of salary protection).
- 14.12 If, at the end of the trial period, the appointing manager and employee are satisfied that the post and/or employee is suitable then the employee's appointment to that post will be confirmed in writing and a new contract or amendment to their current contract will be issued.
- 14.13 The offer of the new post must be for the new post to start either before the redundancy takes place or on the termination date. This is to ensure that there is no break in service.
- 14.14 If more than one potentially redundant employee expresses interest in a post then an objective selection process will be arranged. This may include interview and/or assessment.
- 14.15 If, at the end of the trial period, or earlier, the appointing manager feels that the person is not suitable the right to redundancy payment remains. If there is no other suitable vacancy then the employee would be declared redundant and their employment terminated.
- 14.16 The employee can appeal against the manager's decision by using the appeals process contained in the Disciplinary and Appeals Procedure.
- 14.17 If, at the end of the trial period, or earlier, the employee feels, without good reason, that the post is not suitable s/he will still be dismissed as redundant but will forfeit his/her entitlement to a redundancy payment. The trial period can be undertaken during the notice period.
- 14.18 Any post offered and accepted will count as continuous service for any service related terms and conditions. All pension rights accrued under the Local Government Pension Scheme will also continue to apply.
- 14.19 An employee who is not selected as suitable for a trial period in an alternative post or is considered by the appointing manager as unsuitable for the post may register a grievance under the Council's current Grievance Procedure.

## 15 **Responsibilities During the Redeployment Process:**

- 15.1 The original Service Unit Head has overall responsibility for the redeployment of the employee including the full payment of the employee's salary, up to and including the successful completion of the trial period.
- 15.2 The new line manager assumes day to day managerial responsibility for the redeployee commencing at the beginning of the trial period.
- 15.3 When managers are interviewing they are responsible for giving any potential redeployees serious consideration.
- 15.4 A nominated Personnel and Training Services representative is responsible for advising managers and employees during this process.
- 15.5 The employee is responsible for taking advantage of the support available during the redeployment process and for working positively with their representative, the line manager and Personnel and Training Services to achieve a successful outcome.

## 16 **Salary Protection:**

- 16.1 Employees who are redeployed to a post on the same salary grade as their redundant post will transfer to the new post on the same spinal point and continue to receive increments (if applicable) in line with their current contractual arrangements.
- 16.2 Employees who are redeployed to a post on a lower salary grade will have their salary 'frozen' for a period of two years from the date of appointment to the new post. A 'frozen' salary is one which does not receive annual cost of living pay awards or increments until the lower salary has increased to the same level or higher than the 'frozen' salary. When this happens the employee will transfer to the salary established for the new post.
- 16.3 In some cases, even after two years, the lower salary (the salary for the new post) will not increase to the level of the 'frozen' salary. In these circumstances the employee's salary will transfer to the top of the grade for the new post.
- 16.4 Market Forces Supplements, Essential User Allowance and ongoing Honoraria payments are not included as part of the salary in these circumstances.
- 16.5 Salary protection ie the difference between the salary for the redeployed post and the employee's salary will be paid for by the 'releasing' Service Unit.
- 16.6 Employees who are redeployed to a post which entails a longer journey to work of more than five miles will be entitled to claim mileage allowance at the current middle essential user rate after 8,500 miles or the actual difference in public transport fares for two years from their start date in the new post. Any additional time spent travelling must be undertaken in the employees' own time.

## 17 **Overpayments:**

- 17.1 Overpayments in the form of training fees will be waived for employees whose contract is terminated through compulsory redundancy.
- 17.2 Salisbury District Council will recover outstanding car loans and annual leave taken in advance from employees who are made redundant.

## 18 **Assistance to Redundant Employees:**

- 18.1 The Council will give all reasonable help to staff made compulsorily redundant and this will include:
  - reasonable paid time off to look for other work or to arrange for training for new employment
  - unpaid time off to undertake training for alternative employment outside of the Council
  - information on all current vacancies within the Council



- estimates of their redundancy pay and, where applicable, their superannuation benefits
- time off with pay to make appointments with:
  - a bona fide financial adviser to discuss investments and income
  - the Benefits Agency to discuss state benefits
  - the local Job Centre to discuss employment and retraining, including Job Club or similar meetings.

18.2 Requests for time off should be made in the first instance to the relevant line manager and will not be unreasonably refused.

18.3 Outplacement services may be offered to redundant employees in certain circumstances at the discretion of management. Any associated costs will be borne by the releasing Service Unit(s).

**19 Appeal against Dismissal through Redundancy:**

19.1 Employees have the right to appeal against dismissal through redundancy.

19.2 An appeal can only be based on the grounds that the selection for redundancy was unfair or that the reason for dismissal was not redundancy.

19.3 The appeal must be sent in writing to the Head of Personnel and Training Services within 10 working days of receipt of written notification of the redundancy.

19.4 The Head of Personnel and Training Services will arrange for the appeal to be heard by a Policy Director in line with the Appeals procedure of the Disciplinary and Appeals Procedure.

**20 Assistance to Remaining Employees:**

20.1 Support may also be offered to those employees remaining in employment, particularly where there has been selection for a larger number of redundancies. Such situations can lead to uncertainty about the future and feelings of 'guilt of the survivor'. In these situations managers and employees are encouraged to discuss the situation openly and to air any concerns.

**21 Review of this Procedure:**

21.1 This procedure will be reviewed in accordance with arrangements agreed between the cross-Wiltshire councils and recognised trade unions.

## Appendix 1

Service Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
20	1	1	1	1															
21	1	1.5	1.5	1.5	1.5														
22	1	1.5	2	2	2	2													
23	1.5	2	2.5	3	3	3	3												
24	2	2.5	3	3.5	4	4	4	4											
25	2	3	3.5	4	4.5	5	5	5	5										
26	2	3	4	4.5	5	5.5	6	6	6	6									
27	2	3	4	5	5.5	6	6.5	7	7	7	7								
28	2	3	4	5	6	6.5	7	7.5	8	8	8	8							
29	2	3	4	5	6	7	7.5	8	8.5	9	9	9	9						
30	2	3	4	5	6	7	8	8.5	9	9.5	10	10	10	10					
31	2	3	4	5	6	7	8	9	9.5	10	10.5	11	11	11	11				
32	2	3	4	5	6	7	8	9	10	10.5	11	11.5	12	12	12	12			
33	2	3	4	5	6	7	8	9	10	11	11.5	12	12.5	13	13	13	13		
34	2	3	4	5	6	7	8	9	10	11	12	12.5	13	13.5	14	14	14	14	
35	2	3	4	5	6	7	8	9	10	11	12	13	13.5	14	14.5	15	15	15	15
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14.5	15	15.5	16	16	16
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15.5	16	16.5	17	17
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16.5	17	17.5	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17.5	18	18.5
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18.5	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19.5
42	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
45	3	4.5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4.5	6	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
47	3	4.5	6	7.5	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4.5	6	7.5	9	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
49	3	4.5	6	7.5	9	10.5	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4.5	6	7.5	9	10.5	12	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
51	3	4.5	6	7.5	9	10.5	12	13.5	15	16	17	18	19	20	21	22	23	24	25
52	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
53	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19	20	21	22	23	24	25	26
54	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
55	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22	23	24	25	26	27
56	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	23.5	24.5	25.5	26.5	27.5
57	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25	26	27	28
58	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	26.5	27.5	28.5
59	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28	29
60	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	29.5
61	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
62	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
63	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30

### Redundancy Payments Table:

To use the table:

- Read off employee's age and number of complete years' service. The table will then show how many weeks' pay the employee is entitled to. (The table starts at 20 because no-one below this age can qualify for a redundancy payment; service before the employee reached the aged of 18 does not count).
- For employees aged between 64 and 65, the cash amount due is to be reduced by one-twelfth for every complete month by which their age exceeds 64.

## Severance Discretions Payments Policy Statement

### 1 Background:

New regulations came into force on 1 April 1998 which gave Salisbury District Council, as an employer, discretions in relation to the Local Government Pension Scheme. Under Regulation 106, employers are required to produce a policy statement which gives details of their decisions in relation to these discretions. The Regulations were updated and amended in October 2006 and this policy statement incorporates these amendments.

### 2 Introduction:

In determining the policy in respect of the exercise of discretion Salisbury District Council has taken account of:

- 2.1 **Financial Implications** – The Council must control both potential short term and recurring financial pressures arising from these discretions
- 2.2 **Equality** – Pensions are subject to equal pay legislation.
- 2.3 **Workforce Needs** – The Council needs to have an appropriately skilled and experienced workforce, both for its immediate and long term needs.

### 3 Salisbury District Council Discretions under Local Government Pension Scheme Regulations:

- **Regulation 15**

Employee contributions will not be waived for those officers with 40 or more years' membership of the Local Government Pension Scheme and who are aged below 60

- **Regulation 31**

Blanket consent will not be given to staff in membership of the Pension Scheme aged between 50 and 59 years to retire and draw immediate payment of pension benefits. All requests for such payments should be assessed on their merits and determined by Cabinet.

The waiving of actuarial reduction on compassionate grounds will be exercised by Cabinet in individual cases. Individual circumstances will be looked at according to the dictionary definition of compassion – "inclined to pity or mercy"

The actuarial cost of approved early retirements and early payment of benefits will be funded either immediately or over a three year period.

- **Regulation 35(a)**

Salisbury District Council will allow employees to take flexible retirement where there is no cost to the council.

- **Regulation 52**

Salisbury District Council will not adopt the augmentation of added years benefits by transferring the cost of discretionary added years from the District Council to the Pension fund.

Salisbury District Council will not exercise the discretion to enhance service on the termination of employment for reasons other than redundancy and will be considered in cases of efficiency of the service.

- **Regulation 67**

Salisbury District Council will not introduce a Shared Cost Additional Voluntary Contribution Scheme

4 **Salisbury District Council Discretions under the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2006**

- **Regulation 5**

Salisbury District Council will exercise its discretion to make redundancy payments based on employee's actual week's pay.

- **Regulation 6**

Salisbury District Council will enhance redundancy payments by applying a multiplier of four times the number of weeks of pay to which entitled under the statutory redundancy payments scheme (but subject to a maximum of 104 weeks)

5 **Other Decisions made by the Pension Administering Authority:**

- **Regulation 109**

Wiltshire County Council, as Administering Authority, and in consultation with employers in the Wiltshire Pension Fund will apply abatement only in cases where the pension has been enhanced for example ill health or redundancy cases.

Abatement will occur where total income from the pension and pay from the new job exceeds leaving pay in the job from which the pension arose.

Where there is a gap between retiring and recommencement an adjustment will be made to take into account inflation.

Abatement will be restricted to the element of pension relating to the enhanced service.

As Salisbury District Council will not be granting Augmented Service on grounds of redundancy any additional service awarded would, therefore, be under the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000. There is no discretion under this regulation and where abatement applies an adjustment must be made to the compensatory pension awarded.

- **Spouses Pensions**

Cessation of the payment of pension will not apply to current pensioners where remarriage or cohabitation takes place on or after 1 April 1998.