

# **EPHING FOREST DISTRICT COUNCIL**

## **SEVERENCE POLICY FOR REDUNDANCY AND/OR EARLY RETIREMENT**

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### **1. INTRODUCTION**

- 1.1 The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 no longer provide the Council with powers to award compensatory added years to an individual's accrued pension entitlement in cases of redundancy or early retirement. This Policy sets out the Council's provisions for staff subject to redundancy and/or early retirement.
- 1.2 The policy covers all employees subject to redundancy and/or early retirement, excluding casual workers.
- 1.3 The Policy is effective from 1 April 2007 and derives from the decision made by Cabinet on 19 February 2007.

### **2. APPROVALS**

- 2.1 Approvals for redundancy and terminations for efficiency of service are solely at the discretion of the Council.

### **3. REDUNDANCY**

#### **3.1 Definition**

An employee may be dismissed on grounds of redundancy if:

- a. The Council has ceased, or intends to cease:
  - i. to carry on the work for the purposes of which the employee was employed;  
or
  - ii. to carry on the work in the place where the employee was so employed; or
- b. The requirements of the Council for employees:
  - i. to carry out work of a particular kind;  
or
  - ii. to carry out work of a particular kind in the place where the employee was employed

have ceased or diminished, or are expected to cease or diminish.

### **3.2 Payments**

#### **a. Redundancy Payments**

Employees must have two years continuous service to qualify for a redundancy payment.

A redundancy payment is calculated as follows;

- § For each completed year of service from age 18-21 inclusive: half a week's pay
- § For each completed year of service from age 22-40 inclusive: one week's pay
- § For each completed year of service from age 41 and above: one and a half week's pay

The Council will pay a discretionary payment of one and a half times the statutory entitlement, up to a maximum of 45 weeks pay.

The table in Section 6 details the statutory provisions to calculate entitlements. The maximum service that can be taken into account when calculating a redundancy payment is 20 years. The table starts at age 17, as it is possible for a 17 year old to have 2 year's service. The table stops at age 61 because for employees age 61 and over, the payment remains the same as for age 61.

The Council will use an employee's actual salary to calculate a weeks pay.

#### **b. Pension Payments**

An employee aged 50 or over (or 55 from 2010) will receive their pension without actuarial reduction based on their accrued benefits only. No 'added years' are payable.

### **4. TERMINATION IN THE INTERESTS OF THE EFFICIENCY OF THE SERVICE**

#### **4.1 Definition**

4.1.1 Some early retirements in Local Government may not arise by reason of redundancy but are nevertheless in the interest of the Council. There is no statutory definition for these retirements. Rather they take place where the early retirement is deemed to be in the interest of the efficiency of the service.

4.1.2 Employees aged 50 or over (or 55 from 2010) will be considered for retirement on the basis of efficiency of the service.

#### **4.2 Payments**

##### **a. Lump Sum Payment**

An employee will be entitled to a lump sum payment based on the criteria contained in para 3.2(a), but without the enhancement of one and half times the statutory entitlement and only up to a maximum of 30 weeks pay.

The Council will use an employee's actual salary to calculate a weeks pay.

**b. Pension Payments**

An employee aged 50 or over (or 55 from 2010) will be able to draw their pension without actuarial reduction based on their accrued benefits.

**5. MISCELLANEOUS**

- 5.1 The Council retains the right to amend the policy at any time in consultation with the recognised trade unions.

## 6. STATUTORY REDUNDANCY PAY TABLE

Age	Completed Years of Service																		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17	1																		
18	1	1½																	
19	1	1½	2																
20	1	1	1	1	-														
21	1	1½	1½	1½	1½	-													
22	1	1½	2	2	2	2	-												
23	1½	2	2½	3	3	3	3	-											
24	2	2½	3	3½	4	4	4	4	-										
25	2	3	3½	4	4½	5	5	5	5	-									
26	2	3	4	4½	5	5½	6	6	6	6	-								
27	2	3	4	5	5½	6	6½	7	7	7	7	-							
28	2	3	4	5	6	6½	7	7½	8	8	8	8	-						
29	2	3	4	5	6	7	7½	8	8½	9	9	9	9	-					
30	2	3	4	5	6	7	8	8½	9	9½	10	10	10	10	-				
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11	11	11	-			
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12	12	12	-		
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13	13	13	-	
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14	14	14	-
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15	15	15
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16	16
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24

Age	Completed Years of Service																		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30