

Discretionary Payments Policy

Introduction

The Government has published the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, effective from 1 October 2006. This policy informs how the Council will use these discretions for redundancy and early retirement purposes.

Redundancy

The Council will:

- calculate the statutory and compensation payments based on an employee's actual week's pay (ie the amount payable for a week's work under the contract of employment in force on the termination date)
- link compensation payments to the Government's statutory redundancy payment calculator, using a multiplier of 2 (see Appendix)
- include within any compensation payment, any statutory entitlement that may be due
- not make use of the augmentation provisions of regulation 52 of the Local Government Pension Scheme
- not allow employees in membership of the Local Government Pension Scheme to convert the lump sum compensation payment into added years of service
- not offset the statutory redundancy payment against pensions or lump sums which are paid from the Local Government Pension Scheme

Efficiency terminations

The Council will:

- consider making a one-off payment, based on the merits of each case, up to the maximum of 60 weeks pay, taking into account continuous service with employees listed under the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999

- when considering 'merits of each case', the Council will include:
 - overall benefits to the Council taxpayer of the employee leaving the Council's service

 - direct financial savings and costs to be incurred by the employee leaving the Council's service

 - employee relations issues

 - as a general rule, the Council will seek to make a financial saving over the longer term through an efficiency termination.
 - not allow employees in membership of the Local Government Pension Scheme to convert the lump sum compensation payment into added years of service

 - not to make use of the augmentation provision of regulation 52 of the Local Government Pension Scheme

Conclusion

This policy will be reviewed on an annual basis, the first review being April 2008.