

COUNCIL POLICY ON DISCRETIONARY BENEFITS PAYABLE ON REDUNDANCY AND TERMINATION OF EMPLOYMENT IN THE INTERESTS OF EFFICIENCY [Early Retirement]

1. Redundancy Payments

For employees aged 17 years or above and with at least 2 years continuous service in local government and related employment at the date of redundancy:

- The Council will pay up to 60 weeks compensation (by reference to age and length of service (up to twenty years). Calculations will be based on the statutory redundancy payment 'ready reckoner' which is exempted in the Employment Equality (Age) Regulations 2006 and applying a standard multiplier of 2. Full details are set out in appendix 1. The provisions of the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 [as amended] will apply in respect of 'related employment'.
- Compensation payments will be calculated on the basis of the employee's actual weekly pay (i.e. not subject to a statutory maximum). This payment will include statutory entitlement under the Employment Rights Act 1996.

2. Pension Scheme benefits

In the event of redundancy, benefits (i.e. lump sum and annual pension) are payable to employees in accordance with the relevant Pension Regulations.

- **Augmentation:** within the LGPS there is discretionary provision to augment (increase) an employee's pension benefits in cases of redundancy and early retirement. No similar provision currently exists in the TPS.

Discretion has been retained to use this provision in exceptional cases only and then on the basis of established and consistently applied criteria that take account of the Age Regulations.

Decisions in respect of augmentation to be delegated to the Chief Executive in consultation with the Section 151 Officer, Monitoring Officer and Head of Human Resources on the recommendation of the appropriate Strategic Director

- **Converting enhanced redundancy payment to pension service:** LGPS members only may convert cash sums in excess of any statutory redundancy payment into a period of pension membership. Any option must be to convert all of the enhanced redundancy payment

3. Early termination of employment on the grounds of efficiency (Early retirement) *

Each case will be determined in the light of the particular circumstances and where it can be demonstrated as being in the Council's best interests. Decisions in respect of early retirement – in the interests of efficiency in accordance with the above principles are delegated to the Chief Executive in consultation with the Section 151 Officer, Monitoring Officer and Head of Human Resources on the recommendation of the appropriate Strategic Director.

- No intention to make general use of the discretion to award a compensatory lump sum but in exceptional circumstances it might decide to do so. If considering lump sum compensation, this will be on the basis of established and consistently applied criteria that take account of the Age Regulations.
- Members of the LGPS have access to their accrued pension benefits in accordance with scheme regulations. Discretion to augment has been reserved on a case by case basis.

Proposals outside of the above principals should be referred to the Employment Committee for decision.

**Currently only applicable to staff within scope of LGPS*

Redundancy Compensation Pay Table

To calculate the number of weeks' redundancy compensation pay, cross reference age and years' of service and then multiply that number by actual weekly pay e.g. a person with a salary of £200 per week aged 22 with 4 years of service will be entitled to two weeks salary e.g. a total compensation payment of £400 i.e. including statutory entitlement under the Employment Rights Act 1996.

		. Service (Years)																		
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
17*	2																			
18	2	3																		
19	2	3	4																	
20	2	3	4	5	-															
21	2	3	4	5	6	-														
22	2	3	4	5	6	7	-													
23	3	4	5	6	7	8	9	-												
24	4	5	6	7	8	9	10	11	-											
25	4	6	7	8	9	10	11	12	13	-										
26	4	6	8	9	10	11	12	13	14	15	-									
27	4	6	8	10	11	12	13	14	15	16	17	-								
28	4	6	8	10	12	13	14	15	16	17	18	19	-							
29	4	6	8	10	12	14	15	16	17	18	19	20	21	-						
30	4	6	8	10	12	14	16	17	18	19	20	21	22	23	-					
31	4	6	8	10	12	14	16	18	19	20	21	22	23	24	25	-				
32	4	6	8	10	12	14	16	18	20	21	22	23	24	25	26	27	-			
33	4	6	8	10	12	14	16	18	20	22	23	24	25	26	27	28	29	-		
34	4	6	8	10	12	14	16	18	20	22	24	25	26	27	28	29	30	31	-	
35	4	6	8	10	12	14	16	18	20	22	24	26	27	28	29	30	31	32	33	
36	4	6	8	10	12	14	16	18	20	22	24	26	28	29	30	31	32	33	34	

/continued

Service (Years)																			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
37	4	6	8	10	12	14	16	18	20	22	24	26	28	30	31	32	33	34	35
38	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	33	34	35	36
39	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	35	36	37
40	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	37	38
41	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	39
42	5	7	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41
43	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42
44	6	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43
45	6	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44
46	6	9	12	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45
47	6	9	12	15	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46
48	6	9	12	15	18	21	23	25	27	29	31	33	35	37	38	41	43	45	47
49	6	9	12	15	18	21	24	26	28	30	32	34	36	38	40	42	44	46	48
50	6	9	12	15	18	21	24	27	29	31	33	35	37	39	41	43	45	47	49
51	6	9	12	15	18	21	24	27	30	32	34	36	38	40	42	44	46	48	50
52	6	9	12	15	18	21	24	27	30	33	35	37	39	41	43	45	47	49	51
53	6	9	12	15	18	21	24	27	30	33	36	38	40	42	44	46	48	50	52
54	6	9	12	15	18	21	24	27	30	33	36	39	41	43	45	47	49	51	53
55	6	9	12	15	18	21	24	27	30	33	36	39	42	44	46	48	50	52	54
56	6	9	12	15	18	21	24	27	30	33	36	39	42	45	47	49	51	53	55
57	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	50	52	54	56
58	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	53	55	57
59	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	56	58
60	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	59
61+*	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60

Notes:

- This table is based upon the Department of Trade and Industry (DTI) 'Ready Reckoner' which is exempted in the Employment Equality (Age) Regulations 2006. A 'multiplier' of 2 has been applied as follows:
 - The DTI ready reckoner uses 0.5 week's pay for each full year of service where age during year less than 22. The Council uses 1 week's pay.
 - The DTI ready reckoner uses 1.0 week's pay for each full year of service where age during year is 22 or above, but less than 41. The Council uses 2 weeks' pay
 - The DTI ready reckoner uses 1.5 weeks' pay for each full year of service where age where age during year is 41+. The Council uses 3 weeks' pay
- 17* - The table starts at age 17, as it is possible for a 17 year old to have 2 years' service. Compulsory school leaving age can be 15^{3/4} or 15^{4/5} where a child is 16 before 1 September
- 61* - The table stops at age 61 because for employees age 61 and over, the payment remains the same as for age.

LOCAL GOVERNMENT PENSION SCHEME -LGPS

EMPLOYEE PENSION CONTRIBUTION POLICY

1. Introduction

1.1 Under Regulation 3 of The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 active members of the Pension Scheme are required to make contributions on the basis of pensionable pay (as defined Regulation 4) from each employment. This policy is made to aid the administration of the Scheme - in particular in setting the contribution rates to be applied to each individual. Nothing in this policy can override the statutory provisions of the Local Government Pension Acts or any other relevant legislation and regulations there under. This policy does not apply to elected members pensions.

1.2 From 1 April 2008 the contribution rate to be applied to pensionable pay in any financial year will be calculated as follows:

Band	Range	Contribution Rate
1	£0 to £12,000.99	5.5%
2	£12,000.01 to £14,000.99	5.8%
3	£14,000.01 to £18,000.99	5.9%
4	£18,000.01 to £30,000.99	6.5%
5	£30,000.01 to £40,000.99	6.8%
6	£40,000.01 to £75,000	7.2%
7	£75,000.01 or more	7.5%

1.3 From 1 April 2009 and each subsequent anniversary, the figures in the second column will be increased in line with the regulations.

1.4 It is the employer's responsibility to allocate each member to a contribution band for each pensionable post they occupy.

1.5 Staff will be informed of their contribution band at the beginning of the financial year together with their right of appeal. New starters will be informed of their contribution band in their contract letter. Changes to contribution bands will be included in contract change letters.

1.6 The Council reserves the right to undertake a banding review should there be a significant change circumstances during the year.

2. Determination of appropriate band

2.1 The Pension Regulations define the meaning of pay as "all the salary, wages, fees and other payments paid to him for his own use in respect of his employment" and any other payment or benefit specified in the employee's contract of employment as being a pensionable emolument.

2.2 The Head of Human Resources will determine the banding position for each post by:

- Forecasting the Members expected Full-Time Equivalent earnings for each post at 1 April in any year or at the point of commencement of their employment if later
- Adding any other earnings attracting pension contributions at 31 March in any year to the forecasted Full Time Equivalent earnings

2.3 Where a Member works 'Term-Time Only' at the instigation of the Council, the annual salary will be calculated by reference to the number of weeks comprised in the 'factor'.

2.4 A Member whose post could be carried out all year round but who for personal reasons chooses to work 'Term-Time Only' will not be treated as a term-time employee but as a part-time employee and their full-time equivalent salary will be calculated as if they work 52.143 weeks in the year.

2.5 Sessional and Casual Workers will have their Full-Time Equivalent salary calculated by reference to the Spinal Column Point upon which they are paid. This will be pro-rated upwards to reflect the Full-Time Equivalent salary.

3. Casual staff

3.1 The regulations provide that:

- Casual Members where there is, on 31 March and 1 April 2008, a mutuality of obligation will remain in the scheme (regardless of whether or not they actually work on 1 April and/or 31 March).
- Casual Members where there is on 31 March but not on 1 April 2008 a mutuality of obligation, will not remain in the Scheme on 1 April 2008.
- Casual Members where there is no mutuality of obligation and who were offered, but did not accept, work on 31 March will not be members of the Scheme on 1 April 2008.
- Casual Members where there is no mutuality of obligation but who are offered and accept work on 31 March 2008 will remain in the Scheme only for so long as there is no break in service i.e. they will come out of the Scheme on the first day on or after 1 April 2008 when they are either not offered, or are offered but do not accept work. Thereafter, those casual employees, together with any new casual employees, will only be able to be scheme members if they subsequently enter a mutual obligation casual contract of more than 3 months.

3.2 The Council will:

- remove all casual staff where there is no mutuality of obligation and who have not worked in March 2008 from the scheme from 1 April 2008
- monitor the working patterns of all casual Members who remain in the Scheme after 1 April 2008 on a monthly basis and remove from the Scheme any member who does not work in any month

3.3 There are no Members who are casual staff with mutuality of obligation.

4. Frequency of Review of Banding for Scheme Members

4.1 Banding will be set on 1 April in each calendar year. Any review outside of that date will only take place under the following circumstances:

- Where an employee is subject to a downgrading in the post they occupy that should result in them paying a lower pension contribution band they will be re-assessed and any change implemented from the beginning of the first full month in which the change is effective.
- Where an employee commences work in a 'new post' that should result in them paying a higher or lower level of pension contribution rate they will be re-assessed and any change implemented from the beginning of 1 April following which the change is effected
- Employees whose posts are re-graded to a level at which they would pay a higher level of pension contribution rate will be re-assessed and any change implemented from the beginning of 1 April following which the change is effected

4.2 The Council reserves the right to carry out a general re-assessment should there be a general uplift for a significant number of scheme members for example following a late annual pay award or a re-alignment of the Councils pay line results in a similar situation.

5. Appeals

5.1 The Regulations allow a Member up to 6 months from the date of notification of the new rate to appeal against the allocated contribution rate. It is expected that any appeal will normally be advised within 10 working days of the initial notification of the new rate to the Head of Human Resources. Appeals will be heard by the Employment Committee in accordance with the Council's Appeals procedures.

5.2 The Scheme Member retains the right of appeals to the Avon Pension Scheme Administrator's Independent Disputes Resolution Procedure if remaining dissatisfied with the outcome of the process described above.

Approved: Employment Committee 24 November 2008

Bath & North East Somerset Council

Local Government Pension Scheme Regulations 2008 -

Policy on Employer Discretions

The Council, as an employing body, is required to formulate a Statement of Policy in respect of certain discretionary provisions within the new Pensions Regulations (2008)

Regulation 12	<ul style="list-style-type: none">• Power to increase of total membership of active members
Regulation 13	<ul style="list-style-type: none">• Power to award additional pension.
Regulation 18	<ul style="list-style-type: none">• Flexible Retirement
Regulation 30	<ul style="list-style-type: none">• Choice of early payment of pension
Additional Discretions	

Regulation 12	Power of employing Authority to increase total membership of active members.
Explanation	<ul style="list-style-type: none"> <i>An employer may resolve to increase the total membership of an active member.</i>
	<ul style="list-style-type: none"> <i>A member's total additional membership under this regulation (including additional membership in respect of different employments) must not exceed 10 years.</i>
Policy	The Council notes the new discretion to increase an employee's total membership but has no intention to make general use of this discretionary power. It may wish to consider its use in exceptional cases in the future.

Application of policy: Delegated to the Chief Executive (on the recommendation of the appropriate Strategic Director) in consultation with the Section 151 Officer, Monitoring Officer and Head of Human Resources and Cabinet Member for Resources.

Regulation 13	Power of employing Authority to award additional pension.
Explanation	<ul style="list-style-type: none"> <i>An employer may resolve to award a member additional pension of not more than £5,000 a year payable from the same date as his pension payable under any other provisions of the pension regulations.</i>
	<ul style="list-style-type: none"> <i>Additional pension may be paid in addition to any increase of total membership resolved to be made under regulation 12.</i>
Policy	The Council notes the new discretion to award additional pension benefits. It has no intention to make general use of this discretionary power but may wish to consider its use in exceptional cases in the future.

Application of policy: Delegated to the Chief Executive (on the recommendation of the appropriate Strategic Director) in consultation with the Section 151 Officer, Monitoring Officer and Head of Human Resources and Cabinet Member for Resources.

Regulation 18	Flexible retirement
Explanation	<ul style="list-style-type: none"> A member who has attained the age of 55 and who, with her/ his employer's consent, reduces the hours s/he works, or the grade in which s/he is employed, may make a request in writing to the appropriate administering authority to receive all or part of her/ his benefits under these Regulations, and the authority may pay those benefits to her/him notwithstanding that s/he has not retired from that employment.
	<ul style="list-style-type: none"> If the payment of benefits referred to above takes effect before the member's 65th birthday, the benefits payable are reduced in accordance with guidance issued by the Government Actuary. The employer may, however, agree to waive, in whole or in part, any such reduction as is referred to above
	<ul style="list-style-type: none"> In the case of a person who is a member on 31st March 2008, and who makes a request before 31st March 2010, paragraph (1) applies as if 'the age of 50' were substituted for 'the age of 55'.
	<ul style="list-style-type: none"> Where a member is receiving benefits under this regulation, the period of membership used to calculate those benefits is not taken into account in any subsequent calculation of such benefits to which he is entitled under these Regulations.
Policy:	<ul style="list-style-type: none"> The Council notes this discretion to allow an employee to take `Flexible Retirement' pension benefits. The Council when exercising its right to agree to an employee's `Flexible Retirement' will consider each application on its merit taking account of: <ul style="list-style-type: none"> There is no significant detrimental effect on service delivery The flexible working arrangement is fair and equitable to all employees in the team The reduction in hours is significant (for example 40% of current hours worked) or the employee is moving to a lower graded post. <p>Or on compassionate grounds.</p> <p>The principals listed above are not exhaustive or inclusive.</p> <p>The Council has no intention to make general use of the discretionary power to waive any actuarial reduction as a result of the employee's early retirement but may wish to consider its use in exceptional cases</p>

Application of policy: The decision to waive any actuarial reduction is delegated to the Chief Executive (on the recommendation of the appropriate Strategic Director) in consultation with the Section 151 Officer, Monitoring Officer and Head of Human Resources and Cabinet Member for Resources

Regulation 30:	Choice of early payment of pension
Explanation	<ul style="list-style-type: none"> <i>If a member leaves a Local Government employment before s/he is entitled to the immediate payment of retirement benefits (apart from this regulation), once s/he has attained the age of 55 s/he may chose to receive payment of them immediately</i>
	<ul style="list-style-type: none"> <i>A choice made by a member of less than 60 is ineffective without the consent of his employing authority or former employing authority</i>
	<ul style="list-style-type: none"> <i>If the member so chooses, s/he is entitled to a pension payable immediately calculated in accordance with regulation 29</i>
	<ul style="list-style-type: none"> <i>Her/his pension must be reduced by the amounts shown as appropriate in guidance issues by the Government Actuary</i>
	<ul style="list-style-type: none"> <i>A member's employing authority may determine on compassionate grounds that her/his retirement pension should not be reduced under the above)</i>
	<ul style="list-style-type: none"> <i>In the case of a person who is an active member on 31st March 2008, and who makes an election before 1 April 2010, the above applies as if 'the age of 50' were substituted for ' the age of 55 '</i>
Policy	The Council note the discretion to allow an employee to retire before their normal retirement date or before aged 60. The Council has no intention to make general use of this discretionary power but may wish to consider its use in exceptional cases (e.g. compassionate grounds) in the future.

Application of policy: Delegated to the Chief Executive (on the recommendation of the appropriate Strategic Director) in consultation with the Section 151 Officer, Monitoring Officer and Head of Human Resources and Cabinet Member for Resources

Additional Discretions

Regulation 22	Absence Contribution Time Limit
Explanation	<i>A member who has been away from work as a result of maternity, paternity or adoption leave, industrial action (mainly strikes) or unpaid leave of absence has the right to pay voluntary pension contributions to prevent any gap in membership. Their request to do so normally has to be made within 30 days of returning to work (or within 30 days of their last day of service if they don't return). The employer has discretion to extend the 30 days time limit.</i>
Policy	The Council requires members to make a request to pay voluntary pension contributions for any unpaid leave of absence within 30 days of returning to work (or within 30 days of their last day of service if they don't return)

Regulation 16	Membership Aggregation
Explanation	A member who transfers from another LGPS employer, either directly or after a break, may opt to aggregate the two periods of membership provided they do so while still an active member in the new post and within twelve months of joining.
Policy	The Council normally requires any request to aggregate LGPS membership to be made within the twelve months time limit. Individual requests outside this limit will be considered on merit with the decision delegated to the Head of Human Resources in consultation with the relevant Divisional Director or nominee

Regulation 15 & 25	Shared Cost AVCs
Explanation	It is implicit in these two Regulations that an employer may contribute towards a Shared Cost AVC Scheme, i.e. an AVC Scheme into which the employer pays contributions as well as the member.
Policy	The Council will not contribute towards a Shared Cost AVC Scheme

Regulation 47(2), 72, 73, 74 & 76	Forfeiture of Pension Rights
Explanation	<i>If a member leaves as a result of a conviction for an offence in connection with their LGPS employment or as a result of their own criminal, negligent or fraudulent act in connection with that employment, the employer has discretion to direct that all or part of their LGPS pension rights should be forfeited and / or paid over to the employer or specified dependants of the member</i>
Policy	Where a member is convicted of an offence in connection with their LGPS employment or as a result of their own criminal, negligent or fraudulent act in connection with that employment, the Council will not require that LGPS pension rights be forfeited in connection with that employment in any way unless the Council incurred loss as a direct consequence of the member's actions.

Regulation 22	Transfers of Pension Rights
Explanation	<i>A member who has previous pension rights in a different pension scheme may transfer them into the LGPS provided they opt to do so within twelve months of joining it.</i>
Policy	The Council normally requires members to transfer any pension rights with a different pension scheme within twelve months of joining the Council. Individual requests outside this limit will be considered on merit with the decision delegated to the Head of Human Resources in consultation with the relevant Divisional Director or nominee

APPROVED: Employment Committee - 28 November 2008