

SCHEMES FOR EARLY RETIREMENT/REDUNDANCY/TERMINATION

This Policy Statement is made under Local Government Pension Scheme (Administration) Regulations 2007, Local Government Pension Scheme (Benefits Membership and Contributions) Regulations and subsequent amendments and takes account of current pension regulations and the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2007.

Scope of Schemes

- 1 The appropriate scheme will apply to all Vale of Glamorgan employees in the employment of the Council other than teaching staff and staff employed directly by schools, as follows -
 - Scheme A – Voluntary Retirement at age 60 or over
 - Scheme B – Voluntary Early Retirement with the Employers Consent
 - Scheme C – Voluntary Early Retirement/Termination on grounds of the efficiency of the service
 - Scheme D – Voluntary Early Retirement on grounds of redundancy
 - Scheme E – Redundancy

- 2 Applications and proposals under these schemes in respect of direct Council employed staff will :-
 - be determined on their own merits with the basis of the business and financial benefits identified on each occasion;
 - be determined by the Early Retirement/Redundancy Committee acting upon the advice of the appropriate Director, the Director of Finance ICT and Property (DFICTP) and the Director of Legal, Public Protection and Housing Services (DLPPHS) or their nominated representatives, with the right of appeal to the Appeals Committee.
 - be made with disclosure of the full costs each case and the cumulative costs for the year/programme in reports to the ER/R Committee.
 - be made in accordance with the procedure detailed in paragraphs 3 to 10 below.

Procedure for Dealing with Early Retirements

- 3 An employee wishing to retire early under Schemes A or B must make written application to the appropriate employing Director. Initially, the employing Director will consider applications under scheme B.

- 4 The employing Director in consultation with the DFICTP and DLPPHS will formulate management proposals.

- 5 For applications under Scheme A and where an employee's application under scheme B is supported in principle, detailed pension and other appropriate benefits will be calculated by the Pensions Officer at the request of the DFICTP. The calculation of any capitalised cost to the pension fund must be taken into account and the views of the DFICTP obtained before giving a preliminary response to applicants under Scheme B.
- 6 The employing Directorate is to provide detailed information on the reasons for the release proposal and its consequences, including the benefits to the Council [financial or non financial], any compensating actions [e.g. restructuring, regradings etc] and the recommended release basis. Redundancy payments are payable only in cases of individual redundancy.
- 7 The Pensions Officer is to provide a detailed statement of the costs of any redundancy payments and the capitalised cost to the pension fund.
- 8 The DFICTP will arrange for counselling of the employee with their Trade Union Representative on the detailed benefits of the scheme where an early retirement application is supported at Officer level, or it is agreed by that a report should be made to the ER/R Committee. No commitment is to be made to the potential retiree at this stage.
- 9 Applications under Scheme B and management proposals under Schemes C, D or E are subject to approval by the ER/R Committee acting upon the advice of the appropriate Director, DLPPHS and DFICTP. The Officers' report to the Committee is to provide detailed information on the reasons for the retirement proposal and its consequences, including the benefits to the Authority [financial or non financial], any compensating actions [e.g. restructuring, regradings etc] any employment law issues and the recommended form of release.
10. A Management proposal resulting in ER/R must produce measurable net savings to the cost of the service or produce a fundamental improvement in the delivery of services. Proposals must outline the full costs (including the costs to the pension fund) and benefit of the change. The Directorate concerned and the DFICTP must support the proposal. The opinion of the DLPPHS may be required in redundancy situations. The ER/R Committee will determine individual applications on the basis of advice from officers. Report to ER/R committee to include the full service and financial implications.

Scheme A - Voluntary Retirement at age 60 and over

- 11 Employees over aged over 60 can opt to retire and draw their pension. The following provisions apply to employees aged 60 and over -
 - Employees retiring at age 65 will receive accrued pension benefits in full.

- Employees retiring after age 60 but before age 65 will receive accrued benefits at a reduced rate unless protected by virtue of transitional protection. (See para. 30)

Note – where appropriate the protected Normal Retirement Date for employees that joined the scheme prior to 1 April 1998 will be used.

Scheme B - Voluntary Early Retirement before age 60 with Employers Consent

- 12 Employees 55 or over may apply to retire early with the employers consent. If approved employees will receive accrued pension benefits at a reduced rate unless protected by virtue of transitional protection. (See para. 30)

Note – where appropriate the protected Normal Retirement Date for employees that joined the scheme prior to 1 April 1998 will be used.

- 13 Employees who are eligible under these provisions may be allowed to retire voluntarily and early only if this would be of benefit in terms of service delivery to the Authority, as determined by the ER/R Committee on the merits of the individual application. There would be no waiver of any reductions to pension benefits on early retirement under this scheme.
- 14 Where voluntary early retirement is agreed all rights to payment in lieu of notice, any outstanding leave, time in lieu (TOIL), etc. will be waived.

Early Retirement/Termination on Grounds of Redundancy or in the Interest of the Efficiency of the Service

- 15 Employees aged 55 or over may retire early with the employers consent on grounds of redundancy or efficiency of the service.

Scheme C - Early Retirement/Termination on in the Interest of the Efficiency of the Service

16. This scheme will apply equally to those employees in respect of whom the ER/R Committee determines that retirement/termination would be in the interest of the efficiency of the service in that it would meet the following criteria:-
- Retirement/termination would permit a fundamental improvement to the delivery of services, which would not be possible by other means such as redeployment, retraining etc.
 - There are compelling personal reasons to release an individual [e.g. on grounds of compassion, chronic health problems which do not equate to permanent ill health] and release would permit significant service delivery improvements.

17. Discretionary compensation payment will apply under the Council's Discretionary Payments Scheme.
18. Where voluntary early retirement/termination is agreed all rights to payment in lieu of notice, any outstanding leave, time in lieu (TOIL), etc. will be waived.

Scheme D - Early Retirement on grounds of Redundancy

19. This scheme will apply equally to those employees in respect of whom the ER/R Committee determines that retirement is as a result of redundancy would be in the interest of the efficiency of the service in that it would meet the following criterion:-
 - Retirement would be beneficial to service delivery and would produce measurable net savings to the salary period over a maximum period of five years, taking into account any capitalised cost to the pension fund and any additional costs arising from any associated restructuring or regrading exercise to be stated at the time of the proposal.
20. Redundancy payment will apply under the Council's Redundancy Payments Scheme.
21. Where voluntary early retirement is agreed all rights to payment in lieu of notice, any outstanding leave, time in lieu (TOIL), etc. will be waived.

Scheme E – Redundancy

22. This scheme will apply to those employees whose redundancy will produce measurable net savings and whose post becomes redundant in the interest of the efficiency of the service when they have a minimum of two year's qualifying employment.
23. Those employees who qualify will be offered benefits in line the Local Government (Early Termination) (Discretionary Compensation Regulations) (England and Wales) Regulations 2007, under the Council's Redundancy Payments Scheme.
24. In other cases the statutory scheme will apply.

Redundancy Payments Scheme

25. Discretionary redundancy payments made under schemes D and E will be made in accordance with the following process -
 - Payment will be calculated on the basis of actual salary
 - A weeks pay will be calculated in accordance with the following formula

$$\text{Annual Salary} / 365 \times 7$$

- The number of weeks payable will be calculated in accordance with Table 1, appended to this Policy Statement, dependent on age and service in full years.
- A maximum redundancy payment of £30,000 will be payable under this scheme.
- The payment will be inclusive any statutory redundancy entitlement.

Discretionary Compensation Scheme

26. Discretionary compensation payments made under scheme C will be made in accordance with the following process -

- Payment will be calculated on the basis of actual salary
- A weeks pay will be calculated in accordance with the following formula

$$\text{Annual Salary} / 365 \times 7$$

- The number of weeks payable will be calculated in accordance with Table 2, appended to this Policy Statement, dependent on age and service in full years.
- A maximum compensation payment of £20,000 will be payable under this scheme

General Conditions

27. Where voluntary termination, early retirement or redundancy is agreed all rights to payment in lieu of notice, any outstanding leave, time in lieu (TOIL), etc. will be waived.
28. Should the number of approved applications under scheme B need to be limited for financial or other reasons, selection will be on the basis of economy, effectiveness and the efficiency of the service.
29. Nothing in this scheme can override the statutory provisions of the Local Government Pension Acts or any other relevant legislation and regulations thereunder.

Transitional Protection

30. The 85-year rule has been removed for all new members of the scheme who joined on or after 1 October 2006. For existing members it is removed in respect of benefits accruing after 31 March 2008. There is no effect on any benefits that have been accrued up to that date. Transitional protections will be applied to existing scheme members who will be aged 60 or over by 31 March 2016 and who would have satisfied the 85-year rule at the time they retire
31. The 85-year rule determined whether pension benefits paid before age 65 were subject to an early retirement reduction. Prior to the change with voluntarily retirement before age 65, where age plus scheme

membership (in whole years) equalled 85 years or more there would be no early retirement reduction applied to benefits.

Discretionary Redundancy Table

Table 1

Age	Service (Years)																		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17	1.7																		
18	1.7	2.5																	
19	1.7	2.5	3.3																
20	1.7	2.5	3.3	4.1															
21	1.7	2.5	3.3	4.1	5.0														
22	1.7	2.5	3.3	4.1	5.0	5.8													
23	2.5	3.3	4.1	5.0	5.8	6.6	7.4												
24	3.3	4.1	5.0	5.8	6.6	7.4	8.3	9.1											
25	3.3	5.0	5.8	6.6	7.4	8.3	9.1	9.9	10.7										
26	3.3	5.0	6.6	7.4	8.3	9.1	9.9	10.7	11.6	12.4									
27	3.3	5.0	6.6	8.3	9.1	9.9	10.7	11.6	12.4	13.2	14.0								
28	3.3	5.0	6.6	8.3	9.9	10.7	11.6	12.4	13.2	14.0	14.9	15.7							
29	3.3	5.0	6.6	8.3	9.9	11.6	12.4	13.2	14.0	14.9	15.7	16.5	17.3						
30	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.0	14.9	15.7	16.5	17.3	18.2	19.0					
31	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	15.7	16.5	17.3	18.2	19.0	19.8	20.6				
32	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	17.3	18.2	19.0	19.8	20.6	21.5	22.3			
33	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.0	19.8	20.6	21.5	22.3	23.1	23.9		
34	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	20.6	21.5	22.3	23.1	23.9	24.8	25.6	
35	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	22.3	23.1	23.9	24.8	25.6	26.4	27.2
36	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	23.9	24.8	25.6	26.4	27.2	28.1
37	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	25.6	26.4	27.2	28.1	28.9
38	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	27.2	28.1	28.9	29.7
39	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	28.1	28.9	29.7	30.5
40	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	28.1	29.7	30.5	31.4
41	3.3	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	28.1	29.7	31.4	32.2
42	4.1	5.8	7.4	9.1	10.7	12.4	14.0	15.7	17.3	19.0	20.6	22.3	23.9	25.6	27.2	28.9	30.5	32.2	33.8
43	5.0	6.6	8.3	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	28.1	29.7	31.4	33.0	34.7
44	5.0	7.4	9.1	10.7	12.4	14.0	15.7	17.3	19.0	20.6	22.3	23.9	25.6	27.2	28.9	30.5	32.2	33.8	35.5
45	5.0	7.4	9.9	11.6	13.2	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	28.1	29.7	31.4	33.0	34.7	36.3
46	5.0	7.4	9.9	12.4	14.0	15.7	17.3	19.0	20.6	22.3	23.9	25.6	27.2	28.9	30.5	32.2	33.8	35.5	37.1
47	5.0	7.4	9.9	12.4	14.9	16.5	18.2	19.8	21.5	23.1	24.8	26.4	28.1	29.7	31.4	33.0	34.7	36.3	38.0
48	5.0	7.4	9.9	12.4	14.9	17.3	19.0	20.6	22.3	23.9	25.6	27.2	28.9	30.5	32.2	33.8	35.5	37.1	38.8
49	5.0	7.4	9.9	12.4	14.9	17.3	19.8	21.5	23.1	24.8	26.4	28.1	29.7	31.4	33.0	34.7	36.3	38.0	39.6
50	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	23.9	25.6	27.2	28.9	30.5	32.2	33.8	35.5	37.1	38.8	40.4
51	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	26.4	28.1	29.7	31.4	33.0	34.7	36.3	38.0	39.6	41.3
52	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	28.9	30.5	32.2	33.8	35.5	37.1	38.8	40.4	42.1
53	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	31.4	33.0	34.7	36.3	38.0	39.6	41.3	42.9
54	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	33.8	35.5	37.1	38.8	40.4	42.1	43.7
55	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	36.3	38.0	39.6	41.3	42.9	44.6
56	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	37.1	38.8	40.4	42.1	43.7	45.4
57	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	37.1	39.6	41.3	42.9	44.6	46.2
58	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	37.1	39.6	42.1	43.7	45.4	47.0
59	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	37.1	39.6	42.1	44.6	46.2	47.9
60	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	37.1	39.6	42.1	44.6	47.0	48.7
61+	5.0	7.4	9.9	12.4	14.9	17.3	19.8	22.3	24.8	27.2	29.7	32.2	34.7	37.1	39.6	42.1	44.6	47.0	49.5

Discretionary Compensation Table

Table 2

Age	Service (Years)																		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17	1.0																		
18	1.0	1.5																	
19	1.0	1.5	2.0																
20	1.0	1.5	2.0	2.5															
21	1.0	1.5	2.0	2.5	3.0														
22	1.0	1.5	2.0	2.5	3.0	3.5													
23	1.5	2.0	2.5	3.0	3.5	4.0	4.5												
24	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5											
25	2.0	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5										
26	2.0	3.0	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5									
27	2.0	3.0	4.0	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5								
28	2.0	3.0	4.0	5.0	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5							
29	2.0	3.0	4.0	5.0	6.0	7.0	7.5	8.0	8.5	9.0	9.5	10.0	10.5						
30	2.0	3.0	4.0	5.0	6.0	7.0	8.0	8.5	9.0	9.5	10.0	10.5	11.0	11.5					
31	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	9.5	10.0	10.5	11.0	11.5	12.0	12.5				
32	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.5	11.0	11.5	12.0	12.5	13.0	13.5			
33	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	11.5	12.0	12.5	13.0	13.5	14.0	14.5		
34	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	12.5	13.0	13.5	14.0	14.5	15.0	15.5	
35	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	13.5	14.0	14.5	15.0	15.5	16.0	16.5
36	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	14.5	15.0	15.5	16.0	16.5	17.0
37	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	15.5	16.0	16.5	17.0	17.5
38	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	16.5	17.0	17.5	18.0
39	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	17.5	18.0	18.5
40	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	18.5	19.0
41	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	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	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0
44	3.0	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	3.0	4.5	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0
46	3.0	4.5	6.0	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	3.0	4.5	6.0	7.5	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0
48	3.0	4.5	6.0	7.5	9.0	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	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0
50	3.0	4.5	6.0	7.5	9.0	10.5	12.0	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	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0
52	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
53	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0	26.0
54	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
55	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.0	23.0	24.0	25.0	26.0	27.0
56	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	23.5	24.5	25.5	26.5	27.5
57	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.0	26.0	27.0	28.0
58	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	26.5	27.5	28.5
59	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.0	29.0
60	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	29.5
61+	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0