



The Local Government (Early Termination of Employment) (Discretionary Compensation) England and Wales Regulations 2006 (DCR)

The DCR that determine payment options for Early Severance came into effect from 1st October 2006. This was in response to the legislative requirements held within the Employment Equalities (Age) Regulations 2006. These regulations removed the ability to award Compensatory Added years to those leaving employment with the Council and changed the method of calculating redundancy compensation.

As required by the DCR this authority has formulated and published and will keep under review this policy and if the authority decide to change this policy it will be published one month after the date of the decision.

The Council recognises that there are two grounds under which it might exercise discretion to agree early severance of employment, namely on grounds of redundancy and in the interests of 'efficiency' (Section 26 of the Local Government Pension Scheme Regulations 1997).

Redundancy

To meet the expectations within the DCR, financial provision for redundancy will be determined using weekly basic salary and length of service, in line with the government statutory redundancy formula. The total lump sum payable will not exceed the maximum of 104 weeks of weekly salary. A standard multiplier has been agreed by CMT and this will be used for each redundancy case. Redundancy payments are covered by a special provision under regulation 33 of the Employment Equality Age Regulations 2006 so long as they follow the statutory redundancy formula.

The redundancy figure calculated will be inclusive of statutory redundancy.

The Council has taken the decision to apply a factor of 2.0 to the statutory redundancy calculation formula.

This is applied on the following basis:

Up to age 21 0.5 weeks pay per completed year of service.
Age 22 – 40 1 weeks pay per completed year of service.
Age 41+ 1.5 weeks pay per completed year of service.
To a maximum of 20 years.

Efficiency

Under the Local Government Pension Scheme Regulations if an employee is aged over 55 they are entitled to request retirement on compassionate grounds if one or more of the following criteria apply and the Early Severance Panel will consider it.

- The employee wishes to retire early for the purpose of caring for someone who cannot manage without help because of illness, frailty or disability.
- The employee has become the sole carer for a child or children.



- The employee is suffering from ill health which could not be classified as 'permanent ill health' but which is a recurring problem, which has caused a reduction in the job performance or made the ability to work difficult.
- Some other substantial reason – i.e. there may be exceptional circumstances where a case for early retirement does not neatly fall into any of the above criteria. In these situations, there is the discretion for the Panel to consider the merit of the proposals put forward.