

# DRAFT REDUNDANCY SCHEME

<b>Version:</b>	<b>Version 3- Draft 3 – August 2014</b>
<b>Scheme Ratified by:</b>	<b>Human Resources</b>
<b>Date:</b>	
<b>Area Applicable:</b>	<b>All Caerphilly Employees except school based employees unless the School Governing Body has adopted the Scheme.</b>
<b>Review Year</b>	<b>2016</b>
<b>Impact Assessed</b>	



## SCOPE OF THE SCHEME

1. The Redundancy Scheme applies to any employee where a redundancy situation has been identified, irrespective of whether they are on a fixed term or permanent contract. This Scheme does not cover school based support employees.
2. The Council's recognised trade unions have been consulted on the Scheme.
3. The effective date of this scheme is ?? 2014. The scheme and guidelines will be used to deal with all redundancy situations after that date and supersedes all previous versions of the Scheme.

## GUIDING PRINCIPLES

4. The Government's Statutory Redundancy Scheme allows for employees who lose their job via a redundancy situation to receive compensation for the loss of their job once they have accrued two year's continuous service with the employer. The details of the Statutory Scheme are as follows:
  - **0.5 week's pay for each full year worked when you are under 22 years of age.**
  - **1 week's pay for each full year worked when you are between 22 and 41 year's of age**
  - **1.5 week's pay for each full year worked when you are 41 years of age.**
5. Service is capped at 20 years with the maximum number of weeks that can be paid being 30 weeks. See attached table which shows how a redundancy payment is calculated based on an employee's age and service. Employees are also able to calculate their entitlement to a statutory redundancy payment at [www.gov.uk/calculate-your-redundancy-pay](http://www.gov.uk/calculate-your-redundancy-pay)
6. The weekly amount of statutory redundancy pay (April 2014) is capped at £464 per week for a full time employee. This amount increases every year in April.
7. The Local Government Pension Scheme Regulations, 2013 endorsed the changes introduced in the 2008 Regulations, with effect from 1<sup>st</sup> April 2014. The Regulations maintained the minimum age criteria in relation to employees retiring on the grounds of redundancy, interests and efficiency of the service and applications to release pension benefits early under Regulation 30 of the Local Government Pension Scheme (85 year rule). From that date, the minimum age increased from 50 to age 55 for all categories.
8. The Council's enhanced Redundancy Scheme also changed from that date and the main details are shown below. This means that the enhanced redundancy payment is calculated follows the same basis as the Statutory Calculator i.e an employee's age and service. However, it should be noted that a week's pay will not be capped at the statutory maximum but will reflect an employee's actual pay.

### **Employees who do not have access to their Pension**

- A redundancy payment based on the statutory calculator multiplied by two up to a maximum of 60 weeks.

### **Employees who are able to access their Pension**

- A redundancy payment based on the statutory calculator up to a maximum of 30 weeks.
  - Will have immediate access to payment of their LGPS/TPS benefits
9. The only change in relation to applications for early release of pension benefits under Regulation 30 (85 rule) of the Local Government Pension Scheme is that the minimum age will change from 50 to 55. Applications, which require employer's consent, applies to staff between 55 - 60. Transitional protection is available under the LGPS to those staff who will be age 60 or over by 31<sup>st</sup> March, 2016 and meet the 85 year test.
10. If there is a change in Pension Regulations or any other relevant legislation including the basis of the calculation for statutory redundancy in the future, the Council reserves the right to change this Scheme to comply with any future legislation and Regulations.
11. If you have any queries, please do not hesitate to contact your Business Partner Team in Penallta House.

### **INTERPRETATION OF THE SCHEME**

12. In the event of a dispute relating to the interpretation of this Scheme the Head of Workforce and Organisation Development or the Human Resources Service Manager will make the final decision on interpretation.

### **REVIEW OF THE SCHEME**

13. A review of this scheme and procedure will take place when appropriate. and the Council retains the right to change the policy at any time. Any amendments will be consulted on with all the relevant parties. However, in the case of amendments relating to legislative requirements, the scheme will be amended and reissued.

**2014**

### Statutory Redundancy Pay Table

To calculate the number of weeks redundancy pay, cross reference the your age and years of service and then multiply that number by the weekly salary. E.g. a person with a salary of £200 aged 22 with 4 years of service will be entitled to two weeks salary e.g. a total redundancy of £400.

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<sup>3/4</sup> or 15<sup>4/5</sup> where a child is 16 before 1 September. Particular care should be taken when calculating an individual's redundancy pay when they joined as an employee below the age of 16.

61\* - The table stops at age 61 because for employees age 61 and over, the payment remains the same as for age 61.

Statutory redundancy pay table																				
	Service (Years)																			
Age	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	1½	2	2½	-															
21	1	1½	2	2½	3	-														
22	1	1½	2	2½	3	3½	-													
23	1½	2	2½	3	3½	4	4½	-												
24	2	2½	3	3½	4	4½	5	5½	-											
	Service (Years)																			
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
25	2	3	3½	4	4½	5	5½	6	6½	-										
26	2	3	4	4½	5	5½	6	6½	7	7½	-									
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-								
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-							
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-						
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-					
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-				
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-			
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-		
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-	
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	
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	3	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
	<b>Service (Years)</b>																		
<b>Age</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
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
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