

## Annex 1 – Summary of the Council’s existing policy provisions

### Redundancy Pay – applicable to all staff

Less than 2 years service: No redundancy pay

More than 2 years service: Redundancy pay is based on **total** local government service, the statutory number of weeks and **actual** weekly pay.

Statutory ready reckoner used.

Maximum payment is 30 weeks pay after 20 years of service at age 61+.

### Early Retirement due to Redundancy – applicable to all staff

LGPS: Automatic access to unreduced pension benefits earned to date for those aged 55+ who are made redundant. This is a provision of the scheme, not a local discretion and the cost of the early retirement must be paid into the Scheme over 1, 3 or 5 years.

Those under 55 do not receive access to their pension and as such there are no pension costs associated with their redundancy.

TPS: Employer discretion is used to allow all teachers over age 55 to access unreduced pension benefits on redundancy. The cost of this early retirement is paid by the council over the remaining life-time of the employee.

### Flexible Retirement – **not normally awarded**

LGPS - Allows employees of age 55+ to access some or all of their pension benefits whilst remaining in employment. It is triggered by a reduction in hours or grade but requires employer permission. Benefits will be paid on an actuarially reduced basis, although the employer has the discretion to waive the reduction. Because of protections awarded upon the removal of the 85-year rule, there is the potential for the employer to be liable for the cost because benefits brought into payment under the 85-year rule cannot be paid on a reduced basis.

TPS - An employee aged 55+ can take up to 75% of their total benefits provided that their pensionable salary reduces by at least 25% for at least 12 months. Benefits are paid on an actuarially reduced basis.

**Voluntary Early Retirement – not normally awarded (excl. teachers)**

LGPS - Employees can request access to their pension benefits between age 55 and 59, but require their employer's permission to do so. These benefits will be paid on an actuarially reduced basis unless the employer waives the reduction (and pays the cost into the Scheme).

Pension benefits of employees protected under the 85-year rule cannot be actuarially reduced and the employer must pay the cost of this into the Scheme.

Employees age 60+ can elect to retire at any time without their employer's permission. Pension benefits will be paid on an actuarially reduced basis unless the 85-year rule is met. There is not normally a cost to this unless the employer elects to waive the actuarial reduction.

TPS - An employee aged 55+ may elect to retire on actuarially reduced benefits, with their employer's consent. The employer cannot withhold consent for more than 6 months.

These benefits will be paid on an actuarially reduced basis unless the employer waives the reduction (and pays the cost into the Scheme).

**Early retirement in the efficiency of the service – not normally awarded**

Early retirement in the efficiency of the service is where an employee is granted early retirement and is awarded the same pension benefits as on redundancy, but without being in a redundancy situation i.e. their post would not be deleted after they left.

**Enhancements to Payments – not normally awarded**

There are a number of different ways in which an employee's leaving settlement can be enhanced. The Council's policy is that enhancements are not normally awarded.