

EARLY RETIREMENT / VOLUNTARY REDUNDANCY SCHEME

REDUNDANCY

These provisions relate to situations of organisational change resulting in loss of jobs where volunteers are sought initially with compulsory redundancies following later if insufficient or unacceptable volunteers are forthcoming.

			Employer's Costs
Volunteers	Under 50's:	compensation payment of up to 66 weeks pay according to age and service (subsuming statutory redundancy pay)	Immediate payment of compensation payment (to employee)
	Over 50's:	basic pension as earned plus maximum of 6 2/3 added years plus statutory redundancy pay or	Immediate payment of Statutory Redundancy pay (to employee) plus early payment of pension spread over 5 years or paid immediately (to pension fund) plus payment of added years lump sum immediately (to pension fund) plus added years pension for life of employee and surviving spouse (to pension fund)
		basic pension plus compensation payment of up to 66 weeks pay according to age and service (subsuming statutory redundancy pay)	Immediate payment of compensation payment (to employee) plus early payment of pension spread over 5 years or paid immediately (to pension fund)
Compulsory	Under 50's	statutory redundancy payment only	Immediate payment of Statutory Redundancy pay (to employee)
	Over 50's	basic pension plus statutory redundancy payment	Immediate payment of Statutory Redundancy pay (to employee) plus early payment of pension spread over 5 years or paid immediately (to pension fund)

INTERESTS OF THE EFFICIENCY OF THE SERVICE (i.e. no redundancy situation)

These provisions introduce a compensation payment/enhanced pension as appropriate in all cases. The level of compensation/enhancement is dependent upon the efficiency gain achieved if the employee were to leave. The efficiency gain will be assessed in accordance with the attached document 'Efficiency Gain Criteria'.

		Employer's Costs
Under 50's:	compensation payment of up to 66 weeks pay according to age and service and in accordance with set criteria for efficiency gain	Immediate payment of compensation payment (to employee)
Over 50's:	basic pension as earned plus maximum of 5 added years in accordance with set criteria for efficiency gain or	Early payment of pension spread over 5 years or paid immediately (to pension fund) plus payment of added years lump sum immediately (to pension fund) plus added years pension for life of employee and surviving spouse (to pension fund)
	basic pension plus compensation payment of up to 66 weeks pay according to age and service in accordance with set criteria for efficiency gain	Immediate payment of compensation payment (to employee) plus early payment of pension spread over 5 years or paid immediately (to pension fund)

**CURRENT SCHEME
APPENDIX 2**

COMPENSATION PAYMENT (IN WEEKS) - AGED 50 OR OVER

MAXIMUM PAYABLE = 66 WEEKS		SERVICE															
		5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A G E	50	25	30	35	40	45	47	49	51	53	55	57	59	61	63	65	66
	51	25	30	35	40	45	50	52	54	56	58	60	62	64	66		
	52	25	30	35	40	45	50	55	57	59	61	63	65	66			
	53	25	30	35	40	45	50	55	60	62	64	66					
	54	25	30	35	40	45	50	55	60	65	66						
	55	25	30	35	40	45	50	55	60	65	66						
	56	25	30	35	40	45	50	55	60	65	66						
	57	25	30	35	40	45	50	55	60	65	66						
	58	25	30	35	40	45	50	55	60	65	66						
	59	25	30	35	40	45	50	55	60	65	66						
	60	25	30	35	40	45	50	55	60	65	66						
	61	25	30	35	40	45	50	55	60	65	66						
	62	25	30	35	40	45	50	55	60	65	66						
	63	25	30	35	40	45	50	55	60	65	66						
	64	25	30	35	40	45	50	55	60	65	66						

NB. Age 50 to 64 compensation entitlement is as follows:

- 1 years service = 5 weeks
- 2 years service = 10 weeks
- 3 years service = 15 weeks
- 4 years service = 20 weeks

* Payment is limited to the number of weeks between the leaving date and the persons normal retirement date.

**CURRENT SCHEME
APPENDIX 2**

COMPENSATION PAYMENT (IN WEEKS) - AGED 49 OR UNDER

		SERVICE																														
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
A	18	0																														
G	19	0.5	0.5																													
E	20	1	1	1																												
	21	1.5	2	2	2																											
	22	2	2.5	3	3	3																										
	23	4	6	8	10	10	10																									
	24	4	6	8	10	12	12	12																								
	25	4	6	8	10	12	14	14	14																							
	26	4	6	8	10	12	14	16	16	16																						
	27	4	6	8	10	12	14	16	18	18	18																					
	28	4	6	8	10	12	14	16	18	20	20	20																				
	29	4	6	8	10	12	14	16	18	20	22	22	22																			
	30	4	6	8	10	12	14	16	18	20	22	24	24	24																		
	31	4	6	8	10	12	14	16	18	20	22	24	26	26	26																	
	32	4	6	8	10	12	14	16	18	20	22	24	26	28	28	28																
	33	4	6	8	10	12	14	16	18	20	22	24	26	28	30	30	30															
	34	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	32	32														
	35	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	34	34													
	36	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	36	36												
	37	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	38	38											
	38	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	40	40										
	39	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	42	42									
	40	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	44	44								
	41	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	46	46							
	42	7	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	51	51						
	43	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	56	56					
	44	10	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	61	61				
	45	10	15	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66			
	46	10	15	20	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66		
	47	10	15	20	25	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66	
	48	10	15	20	25	30	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66	66	66	66	66	
	49	10	15	20	25	30	35	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66	66	66	66	

MAXIMUM PAYABLE = 66 WEEKS

CURRENT SCHEME APPENDIX 2

EFFICIENCY GAIN CRITERIA

1. In situations where there is not a redundancy situation but organisational changes are required, there may be grounds to release an employee in the interests of the efficiency of the service. Efficiency of the service grounds are more difficult to quantify than a straightforward redundancy situation, as there may be no overall loss of jobs where obvious savings can be identified. There is no loss of an established post hence no saving on salary costs which can be offset against the cost of terms paid to the individual.
2. It will be important to maintain a balanced workforce in terms of skills and experience, and as age alone is not a determinant of those factors, it will be necessary to consider the precise nature of the efficiency gain if an individual employee were to be released. The cost of releasing the applicant must then be assessed against the efficiency gain.
3. The attached pro forma will be used as a guide for identifying and quantifying the level of efficiency gain and will be submitted as part of the required approval process.
4. The above criteria take into account factors of capability, not conduct. Misconduct will be handled through alternative procedures.

Example

In a situation where there are no retraining costs, no reasonable adjustments or new skills required; and this coincides with increased new technology and more productivity, there could be a high efficiency gain from replacing the employee with someone more suitable. This would offset the costs of releasing the employee. Low ratings could indicate high costs in retraining, re-skilling etc. which must be considered alongside the costs to the authority in releasing the employee.

5. The efficiency gain ratings would then be applied to the compensation payment or added years benefits in the following way:
 - A maximum rating would indicate maximum compensation payment or added years
 - A low rating would indicate a low compensation payment or added years
 - A nil rating would indicate no compensation payment or basic pension only (although the employer costs of early retirement would have to be taken into account). It could also indicate that the employee should not be released at all unless there were no employer costs or the employee bore an actuarial reduction which would mean no employer costs.

CURRENT SCHEME

APPENDIX 2

CRITERIA For example:	EFFICIENCY GAIN Comments	RATING 0-5 Where 0 = NIL 1 = LOW 5 = HIGH	QUANTIFY EMPLOYERS' COSTS
Training - would any training be required for a replacement?			Compensation Payment
Reasonable Adjustments - would any adjustments be required if the employee were to be retained?			Early Payment of Pension
New skills - how many new skills would be required to do the job?			Added Years
IT - could any of the job be given over to new technology?			Retraining Costs
Productivity - would the changes increase productivity?			Reasonable Adjustments
(if relevant) - what is the effect of the current medical situation on other criteria?			
Other			