

Central Scotland Valuation Joint Board Voluntary Severance Policy

1.0 Voluntary Severance Policy

1.1 Notes: “Assessor” includes “ERO”

1.2 The Valuation Joint Board recognises that due to financial pressures it may look to achieve reductions in staff costs through the mechanism of Voluntary Severance.

1.3 The Valuation Joint Board will aim to maintain a balanced workforce with the skills, qualifications and competence to ensure effective execution of its and the Assessor’s functions.

1.4 The Assessor will consult with the Staff Consultation Forum in the development and implementation of these procedures. This consultation will commence as early as practicable in the process.

1.7 The Assessor, in conjunction with Human Resources at Clackmannanshire Council will seek applications for voluntary severance from employees.

2.0 Severance Payments Management Guidelines

2.1 **Eligible Staff.** To be eligible for consideration under this Scheme, members of staff must either be a member of the Local Government Pension Scheme or be eligible to be a member and must be a permanent member of staff.

2.2 The eligibility for pension and compensatory benefits is determined by reference to the age and length of service as follows:

Age at Date of Severance	Length of Service at Date of Severance	Pension Benefits (if applicable)	Compensatory Benefits
50 and over	less than 1 year	Refund of contributions/transfer of contributions	None
50 and over	at least 1 but less than 2 years	Refund of contributions/transfer of contributions	Immediate lump sum payment
55 and over	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None
55 and over	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years

Aged between 50 and 54 and a member of LGPS on 5th April 2006	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None
Aged between 50 and 54 and a member of LGPS on 5th April 2006	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years

If a member has more than two years membership and is aged between 50 and 54 and was **not** a member of the LGPS as at 05/04/2006 they would not receive immediate pension benefits but instead would be entitled to a deferred pension payable reduced at age 60 or in full at pensionable age.

Length of service for the purpose of calculating compensatory benefits is continuous local authority service. For the purpose of calculating pension benefits, it is the period of scheme membership together with any transferred in pensionable service.

The maximum number of Compensatory Added Years that can be awarded is the shortest of the following periods:

- The number of years required to make up the persons service to 40 years.
- The period between the date of cessation and the persons 65th birthday.
- A period equal to the person's accrued service.
- 3 years.

Compensatory Added Years in respect of part-time staff will be based on the actual hours worked.

The number of compensatory added years can be reduced or not granted at all in order to ensure that revenue budget saving is achieved within 2 years.

2.3 Calculating the Severance Package

Please see the attached appendix which outlines package based on age and length of service for lump sum payment.

Employees aged from 23 and over to under 50

May receive a lump sum of up to the maximum sum equal to 66 weeks pay.

Employees aged 50 and over and not a member of the pension scheme

Depending on the length of service an employee may receive a lump sum of up to a maximum sum equal to 66 weeks salary.

Approved 19/06/2015

In addition to one of the above packages, the member of staff may also receive up to 12 weeks' notice dependant on their length of service (one week per year served up to a maximum of 12 weeks). They will be expected to work their notice period. However, by mutual agreement they may be able to waiver or shorten their notice period. Any outstanding annual leave or floating days will require to be taken before the employee leaves the Board's Service.

2.4 Re-Employment

Severance packages are normally justified by demonstrating the Valuation Joint Board will secure a financial benefit. On this basis the employee will be asked to accept that no future employment opportunities will be offered to the employee by the VJB following termination of the current employment.

2.5 Tax and Deductions

2.5.1 A compensatory lump sum may be subject to the deduction of income tax depending on the level of the termination package.

2.5.2 It is a condition of the policy and a term of the employee's contract of employment that any outstanding payments due to the Valuation Joint Board will be deducted from the final salary and/or compensatory package.

3.0 Administration Process

3.1 Introduction.

The following sets out a draft process in the application of the Severance Scheme. The process ensures that the member of staff receives the maximum possible benefits within the boundaries of the Pension Regulations and the financial implications to the Valuation Joint Board.

3.2 The Process

3.2.1 Severance Form and general template letter provided by Human Resources, amended as appropriate by the Assessor, to be disseminated to "staff.

3.2.2 The member of staff submits Severance Form to Human Resources indicating an interest in voluntary severance.

3.2.3 The Assessor decides whether or not the request is eligible for further consideration.

3.2.4 The Assessor will prepare a comprehensive assessment of the service delivery implications which will include proposals on the future execution of the work, to ensure that there is not an unacceptable detrimental effect on existing or future service provision as a result of granting the severance application.

3.2.5 The Assessor consults Human Resources to consider all personnel issues in connection with the potential retiral. .

3.2.6 Human Resources will firstly request information from Clackmannanshire Council Finance Services (Payroll) and then details of the financial implications from the Pensions Section.

3.2.7 The Pensions Section calculates benefits making up the package and forwards the financial implications to Human Resources for onward transmission to services.

3.2.8 The Service accountant and Assessor appraise the financial implications of granting severance based on service requirements, long term financial savings to the Valuation Joint Board, service improvement savings etc, against the Valuation Joint Board Policy.

3.2.9 The Assessor determines final package available to the member of staff in consultation with Human Resources who will advise the Pensions Section. The Assessor's decision is final on the matter and there is no right of appeal.

3.2.10 On obtaining final approval of the package to be offered to the member of staff, the Pensions Section will formally issue an offer to the member of staff.

3.2.11 The member of staff will, within two weeks of receiving the offer, formally notify Human Resources in writing whether the offer is accepted or rejected.

3.2.12 Human Resources advise the Pensions Section of the member of staff's decision and if accepted, confirm termination information.

3.2.13 Human Resources will issue the formal letter confirming the agreed severance arrangements to the member of staff leaving under this policy.

ENHANCED VOLUNTARY SEVERANCE

APPENDIX 1

This calculation can be used for the following :

- (i) Under 50 years of age and a member of the Pension scheme (Pensions funds cannot be accessed)
- (ii) Under 50 years of age and NOT a member of the Pension scheme
- (iii) Over 50 and NOT a member of the Pension scheme

AGE	COMPLETED YEARS SERVICE																													
	1	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
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	-	1/2	1/2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	-	1 1/2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	-	2	2 1/2	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	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	-	-	-	-
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	-	-	-	-	-
47	-	10	15	20	25	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	-	-	-	-	-	-	-
48	-	10	15	20	25	30	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	-	-	-	-	-	-	-	-
49	-	10	15	20	25	30	35	40	42	44	46	48	50	52	54	56	58	60	62	64	-	-	-	-	-	-	-	-	-	-
50	5	10	15	20	25	30	35	40	45	47	49	51	53	55	57	59	61	63	65	-	-	-	-	-	-	-	-	-	-	-
51	5	10	15	20	25	30	35	40	45	50	52	54	56	58	60	62	64	-	-	-	-	-	-	-	-	-	-	-	-	-
52	5	10	15	20	25	30	35	40	45	50	55	57	59	61	63	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	5	10	15	20	25	30	35	40	45	50	55	60	62	64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64 *	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Expressed in number of weeks pay

MAXIMUM 66 WEEK'S PAY APPLIES

*N.B. Maximum payable must not exceed one week's pay for each complete week between the date of termination and the Employee's Normal Retirement Date .