

Lewes District Council

Voluntary Severance Scheme Frequently Asked Questions Issue 1

If you have any other questions please contact HR or Unison and we will add more FAQs as they arise.

Why have you issued this policy?

This is an existing policy, which we are highlighting at this time because of the need for efficiencies. We have set financial parameters on compensation so this scheme pays less than you would receive if you were made compulsorily redundant. This policy enables mutually agreed exits i.e. it has to be at the request of the employee and agreed by the employer. This may help us to reduce employment costs in the longer term.

Have you discussed this with the Trade Unions?

No discussions at time of writing but aim will be to answer:

Yes and the comments made are reflected in these FAQs. We will continue to discuss the operation of the policy with the Unison over the coming weeks.

How much will I get?

If you are over 55 years of age and in the Pension Scheme you should refer to the Early Retirement Scheme which we are also issuing today. Your payment is determined by how long you have been paying into the pension scheme, your current salary and your age.

If you are under 55 or if you are over 55 but not in the Pension Scheme you will receive 1.5 weeks pay for every complete year you have worked continuously for Lewes District Council.

Will previous service count toward this?

Yes if continuous employment (more exp here)

Can I be made to take severance?

NO. This is only for any staff who are interested in voluntary severance; there is no pressure to apply. The normal processes for retirement and resignation continue.

What about notice?

Will this mean that all the experienced staff will leave?

This will be taken into consideration when decisions are made. However xx% of Lewes staff are over 55 so we will still have lots of experienced staff because only a proportion of those xx staff are likely to take early retirement.

I am interested in this; what do I do now?

Have a discussion with your manager about whether it would be feasible for you to take early retirement, *or speak to HR if you want to understand the*

scheme more fully before you talk to your manager. You may check your understanding of the amount payable with payroll.

Can I bring someone with me when I discuss this?

Yes you may bring a trade union representative or one of your colleagues. Discussions with HR/Payroll may include personal details such as your age and salary because we will need these to calculate your redundancy figures.

My manager and I think there is a business case, what happens now?

A written business case should be prepared. This will be a brief report explaining how your work would be re-organised if you left and the potential saving for the Council. A pro-forma for this will be issued to Directors during the week commencing xxth Oct.

Once a business case has been produced by your manager it should be passed to HR/Payroll. We will calculate your voluntary severance payment. This will enable us to confirm the amount you would receive if you go ahead. Receiving a severance and or pensions estimate will not oblige you or the Council in any way.

What if the estimate from the Pensions Administrator is different?

If you think it is inaccurate please let us know why and we will check it with the Pension Administrator.

What if I don't like the estimate?

If the amount is not as much as you had hoped you can of course decide not to proceed. Similarly if the employer costs are unexpectedly high this may undermine the business case and your manager and Director may decide not to proceed.

What are the tax implications?

Our pension scheme is very tax efficient but to check your personal position please see the Local Government Pension Scheme website [Payments](#) up to £30000 are not taxed.

Can I take voluntary severance and come back later or work in another Council?

You would not be able to work for Lewes again until x years had elapsed. You would be able to work for other Local Authorities. *Link to Modification Order*

Why should some people get this & not others?

There is no right to retire early and this will usually only be agreed where the initial cost of the severance payment can be offset by longer-term savings. This will vary enormously between different staff and different roles. Some staff will not be able to go because there is no way to rearrange their work or because the costs to the employer would be too high.

I want to take voluntary severance and have been turned down; can I appeal?

No, the Chief Executive’s decision is final. However the reasons why the severance has not been agreed will be explained to you. However if the situation changes, for example if you and your manager come up with a different business case at a later date then it may be possible to be reconsidered.

What if several of us wish to go but we can’t all be spared?

Difficult decisions will have to be taken by managers about the most efficient arrangement for their service. A business case will take into account the costs to the employer of agreeing voluntary severance. These costs are the amount we have to pay the pension fund to compensate for the employee leaving early, these costs go up the earlier the retirement.

Would I get more if I were made redundant?

The payment is less than for a compulsory redundancy. If you are over 55 you would get a redundancy payment in addition to your pension but this may be reduced to the legal minimum in order to offset the employer costs of allowing you to retire early.

However we will continue to do all we can to avoid compulsory redundancy, for example through using this policy. Even if we do reach that unfortunate situation there is no way of predicting who would be selected for redundancy and whether or not redeployment may be possible.

%%%%%%%%%

I’m over 60 can’t I retire anyway?

Yes once staff attain the age of 60 they can retire and receive a pension based on their contributions up to the retirement date they choose. This Council also has a Flexible Retirement Policy that you may find of interest.

I’m not 60 yet, can I take early retirement?

This will depend on your individual circumstances and your current job role and can only happen if you are over 55. The Council’s decision will be largely based on whether savings can be made, taking into account the costs and other consequences of agreeing to you retiring early.

Taking early retirement means that your employer would bear the costs of the early release and so an ‘actuarial reduction’ would not be made.

Why do I have to be 55?

This is an age limit set by the Local Government Pension Fund (LGPS) and cannot be changed by Lewes DC.