

## Cabinet – 18 March 2009

### Pension Policy Statements

**Portfolio:** Councillor A. Griffiths, Finance and and personnel

**Service:** Council wide – all services

**Wards:** All

**Key decision:** No

**Forward plan:** No

#### 1. Summary of report

- 1.1 Under Regulation 66 of the Local Government Pension Scheme (LGPS) Regulations 2008, each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations. Where references are made, A Reg refers to the "Administration" Regulations and B Reg to the "Benefit" Regulations.
- 1.2 This statement is applicable to all employees of Walsall Council who are eligible to be members of the LGPS. Before the exercise of any discretion it will be necessary in each individual case to consider the full financial cost to the council and the Pension Fund.
- 1.3 Discretions provided for in the Teachers Pension Scheme Regulations (TPS) are published and kept under review as a Statement of Policy to explain how the Council will apply certain discretions allowed under these Pension Regulations. This statement is applicable to all employees of Walsall Council who are eligible to be members of the TPS. This includes all Foundation and Voluntary aided schools who are funded through the Local Education Authority.

#### 2. Recommendations

- (1) That the new Policy Statements and guidance notes at **Appendix 1** and **Appendix 2** be approved.
- (2) That publication of the policy will be made within one month and be applied where applicable from that date.

### **3. Background information**

- 3.1 There are a number of discretionary powers contained within the LGPS regulations to augment a member's LGPS service. The Policy Statement at **Appendix 1** sets out the recommended guidance in terms of the adoption of the above. The financial implications will be managed from within existing resources and will be reported routinely to senior management.
- 3.2 Additional discretionary powers are contained within The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. The policy statement at **Appendix 1** includes the recommended guidance on the adoption of the above. The guidance notes provide supporting detail.
- 3.3 There are a number of discretionary powers contained within the Teachers Pensions Regulations to augment a member's TPS service. The Policy Statement at **Appendix 2** sets out the recommended guidance in terms of the adoption of the above. The guidance notes provide supporting detail.

### **4. Resource considerations**

- 4.1 **Financial:** All decisions should be made by considering that, in exercising the discretionary powers contained within the policy statement, the funding of such can be managed and does not place a financial burden on council tax.
- 4.2 **Legal:** Legal Services have reviewed the policy.
- 4.3 **Staffing:** None directly arising from this report.

### **5. Citizen impact**

None directly arising from this report.

### **6. Community safety**

None directly arising from this report.

### **7. Environmental impact**

None directly arising from this report.

### **8. Performance and risk management issues**

- 8.1 **Risk:** Inappropriate use of discretionary powers could lead to financial difficulties therefore the application of the policy will be managed and monitored to avoid this.

8.2 **Performance management:** Quarterly monitoring and reporting will be undertaken to senior management and the Chief Finance Officer (CFO).

9. **Equality implications**

None directly arising from this report.

10. **Consultation**

Consultation has taken place with the Corporate Management Team and the employee relations forum.

**Background papers**

The 2007 Policy Statements and relevant legislation.

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James T Walsh  
Chief Finance Officer (Resources)  
5 March 2009



Councillor Albert Griffiths  
Portfolio holder  
5 March 2009



# Walsall Council

## Local Government Pension Scheme (LGPS) Regulations Policy Statement for all eligible employees

Under Regulation 66 of the LGPS Regulations 2008 each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations. Where references are made, A Reg refers to the “Administration” Regulations and B Reg to the Benefit” Regulations

This statement is applicable to all employees of Walsall Council who are eligible to be members of the LGPS.

Before the exercise of any discretion it will be necessary in each individual case to consider the full financial cost to the council and the Pension Fund.

### Policy Statement

#### **PART 1 - DISCRETIONS TO BE APPLIED CONTAINED IN THE ADMINISTRATION REGULATIONS**

##### **At the start of the employment contract**

##### **1. Regulation 15 A: Reg: Re-employed and rejoining deferred members**

**This is an existing policy decision –no policy change.**

<b>Explanation</b>	<b>Council Policy</b>
This discretion allows the extension of the 12 month time limited election to aggregate previous periods LGPS service.	The Council has <u>NOT</u> adopted this discretion.

##### **2. Regulation 25 A: Reg: Shared cost AVC (additional voluntary contributions)**

**This is an existing policy decision – no policy change.**

<b>Explanation</b>	<b>Council Policy</b>
This discretion allows the council to maintain and contribute to an employee’s Additional Voluntary Contribution Scheme.	The Council has <u>NOT</u> adopted this discretion.

### 3. Regulation 83 A Reg: Power to allow inwards transfer values to be accepted after 12 months' Membership

**This is an existing policy decision – no policy change.**

<b>Explanation</b> This discretion allows the extension of the 12 month time limited transfer of pension rights from previous funds to be extended.	<b>Council Policy</b> To allow this discretion in limited circumstances only. Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.
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## **PART 2 - DISCRETIONS TO BE APPLIED CONTAINED IN THE BENEFITS REGULATIONS**

### **At the start of the employment contract**

#### **1. Regulation 3 B Reg: Contributions Banding payable by active members**

**This is a new regulation**

<b>Explanation</b> Employers will determine the contribution rate payable based on whole time pensionable pay for existing members at 1 April 2008 or at the start of their membership and where there is a material change in pay.	<b>Council Procedures – How the Regulation is to be administered</b> The council will review the rates at six monthly intervals. Account will be taken when determining the rate of any impending pay award.
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### **Discretions to be applied during employment**

#### **2. Regulation 12: B Reg: Power to increase total membership of Active Members (augmentation)**

**This is a new policy**

<b>Explanation</b> This discretion allows for an employees membership to be increased but any increase must not exceed, including earlier periods of added years, 10 years	<b>Council Policy</b> The Council has <u>NOT</u> adopted this discretion.
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#### **3. Regulation 13: B Reg: Power to award additional pension**

**This is a new Policy**

<b>Explanation</b> This discretion allows the employer to award a scheme member additional pension benefits of not more than £5,000 a year, payable from the same date as scheme benefits. This is in addition to Regulation 12 B Reg.	<b>Council Policy</b> The Council has <u>NOT</u> adopted this discretion.
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#### 4. Regulation 22 A Reg: Applications to make absence contributions

##### This is a new policy

<b>Explanation</b> Employer has the discretion to extend the period of 30 days for a period of unpaid absence if person applies in writing.	<b>Council policy</b> The Council has <u>NOT</u> adopted this discretion.
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#### Discretions to be applied at the termination of employment

#### 5. Regulation 18 B Reg: – Flexi Retirement

##### This is an extension to the existing policy.

<b>Explanation</b> A member who is aged 55 or over and with their employers' consent reduces their hours/or grade, can, but only with the agreement of the employer, make an election to the administering authority (West Midlands Pension Fund) for all or part payment of their accrued benefits without having retired from that employment. Where a person was an active member on 31 March 2008 and makes an election before 31 March 2010 benefits can be paid if aged over 50.  If payment occurs before the age of 65, the benefits are actuarially reduced.  The employer may chose to waive the reduction in whole or part. The cost of the waiving will have to be paid to the fund.	<b>Council Policy</b> The council will consider a waiver in exceptional circumstances only.  Exceptional circumstances are defined in the detailed guidelines.  Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.
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#### 6. Regulation 30 B Reg: Early payment of Retirement benefits at the employees request

##### This is a revision of an existing policy.

<b>Explanation</b> From age 55 members have the right to apply for early payment of their retirement benefits. Payment will be subject to the employers consent.  Where a person was an active member on 31 March 2008 and makes an election before 31 March 2010 benefits can be paid if aged over 50.	<b>Council Policy</b> a) The Council has adopted this regulation to be used in exceptional circumstances only. Exceptional circumstances are defined in the detailed guidelines.  b) Where early retirement is granted the conditions opposite will apply.  Each specific case will be judged equally
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For a member who joined the Scheme prior to 1 October 2006 where the members age and pension service (in whole years) equals less than 85 then reduced benefits would be payable. For a member who joined the scheme on or after 1 October 2006, then reduced benefits would be payable if taken before age 65.	and fairly on its own merits having fully considered service delivery and financial costs.
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## **7. Regulation 30 B Reg – Former Members Request for Early Payment of Benefits**

**This is a revision of an existing policy.**

<p><b>Explanation</b></p> <p>From age 55 former members with deferred benefits have the right to apply for early payment of their retirement benefits. Early payment will be subject to the employers consent.</p> <p>Where a person was an active member on 31 March 2008 and makes an election before 31 March 2010 benefits can be paid if aged over 50.</p> <p>For a member who joined the Scheme prior to 1 October 2006 where the members age and pension service (in whole years) equals less than 85 then reduced benefits would be payable. For a member who joined the scheme on or after 1 October 2006, then reduced benefits would be payable if taken before age 65.</p>	<p><b>Council policy</b></p> <p>The Council has adopted this regulation to be used in exceptional circumstances only.</p> <p>Exceptional circumstances are defined in the detailed guidelines.</p> <p>The council will consider each specific case which will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.</p>
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## **PART 3 - EARLY TERMINATION OF EMPLOYMENT (DISCRETIONARY COMPENSATION)**

### **Regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006**

#### **1. No limit on weekly pay for calculation of redundancy payment.**

**This is an existing policy decision– no change proposed.**

<p><b>Explanation</b></p> <p>The council may decide to calculate a redundancy payment entitlement as if there had been no limit on the amount of the week's pay used in the calculation.</p>	<p><b>Council Policy</b></p> <p>The council has decided to adopt this discretion and base redundancy payment calculations on an unrestricted week's pay.</p>
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## 2. Additional lump sum compensation payment

This is an existing policy decision.

<b>Explanation</b> A one-off lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay (2 years) inclusive of any redundancy payment made.	<b>Council Policy</b> The council has decided to adopt this discretion in part and will award an additional lump sum compensation payment equal to the value of the statutory redundancy payment – maximum payment 30 weeks – but only in cases of some compulsory redundancies on the joint authority of the Executive Director (Resources) and the Head of Human Resources and Development. Each award will be subject to a cap to be paid to an employee who is paid less than scale point 29.  Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.
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## PART 4 – APPEAL PROCESS

### 1. Regulation 57 A Reg: Internal Dispute Resolution Procedure (IDRP)

This is an existing policy decision – no change proposed.

<b>Explanation</b> Responsibility for determination of LGPS disputes under the first stage of the procedure now lies with a “Specified Person” at the employing authority.	<b>Council Policy</b> Any disputes about decisions made under the LGPS should be sent in writing to:  The Executive Director (Resources) The Council House Walsall Council WS1 1TW <b>or</b> The Chief Executive  If the complaint relates to member of the Resources directorate.
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Employees wishing the council to exercise these discretions are required to apply in writing to their Executive Director. A decision will be given in writing following the request as soon as possible and in any event no later than 3 calendar months after the date the written request is received.



# **Local Government Pension Scheme Regulations**

## **Policy Statement for all eligible employees**

### **Guidance Notes**

These notes establish clear and robust guidelines to managers and personnel officers. All decisions relating to the payments and discretions contained within this policy need to be objectively justifiable if challenged.

## **PART 1 - DISCRETIONS TO BE APPLIED CONTAINED IN THE ADMINISTRATION REGULATIONS**

### **Discretions to be applied at the start of the employment contract**

#### **1 Reg15 A: Re-employed and rejoining deferred members combining benefits within 12 months**

This Regulation was contained in the previous discretionary powers. This will be a cost to the service so has not been adopted.

#### **2. Reg 25A: Shared cost AVC**

This Regulation was contained in the previous discretionary powers. This will be a cost to the service so has not been adopted.

#### **3 Reg 83A: Power to allow transfer values to be accepted after 12 months' membership**

This Regulation was contained in the previous discretionary powers. There could be significant cost to the pension fund liabilities if this discretion was not limited. The extension will be allowed when the delay is of no fault of the employee e.g. previous scheme not providing transfer details in a timely manner. The decision to allow the transfer will be authorised by the Chief Financial Officer or their Deputy (Head of Corporate Finance) on the recommendation of the Payroll & Pensions Control Manager.

## **PART 2 - DISCRETIONS TO BE APPLIED CONTAINED IN THE BENEFITS REGULATIONS**

### **Discretions to be applied at the start of the contract**

#### **1 Reg 3B: Contributions Banding payable by active members**

This is a new administration procedure which determines when and how the employees' contribution banding will be applied. The guidance is set out in the policy statement.

#### **2 Reg12 B: Power to increase total membership of Active Members**

This will be a cost to the service so has not been adopted.

#### **3. Reg 13B: Power to award additional pension**

This is a new regulation. This will be a cost to the service so has not been adopted.

#### **4. Regulation 22 A Reg: Applications to make absence contributions**

This will be a cost to the service so has not been adopted.

## **Discretions to be applied at the termination of employment**

### **5 Reg18 B: (Flexi Retirement): Requirement as to time of pension payment**

Agreement to apply the waiver could have a significant impact on council funding as it is dependant on each individual's pensionable history. A shortfall may be created which will require a capitalised payment to the pension fund before the benefits can be paid.

- The waiver will be applied if there is no cost to the service or
- On compassionate grounds but only when it can be demonstratively shown that the inability of the employee to work is as a result of a severe medical condition of the employee or of the person for which they are the main carer (subject to medical evidence to support the application).

The above will be on the joint authority of the Chief Financial Officer or their Deputy (Head of Corporate Finance) and the Head of Human Resources and Development (both parties must agree).

Prior to a decision being made the cost of the award must be obtained and the funding to support the award must be confirmed by the relevant Finance Manager.

### **6 Reg 30 B: Early payment of Retirement benefits at the employees request**

This could have a significant impact on council funding as the council may, dependant on each individual's pensionable history, be responsible for the shortfall the early retirement creates.

- The benefits will be payable if there is no cost to the service or
- On compassionate grounds but only when it can be demonstratively shown that the inability of the employee to work is as a result of a severe medical condition of the employee or of the person for which they are the main carer (subject to medical evidence to support the application).

The above will be on the joint authority the Chief Financial Officer or their Deputy (Head of Corporate Finance) and the Head of Human Resources and Development (both parties must agree).

Prior to a decision being made the cost of the award must be obtained and the funding to support the award must be confirmed by the relevant Finance Manager.

### **7 Reg 30 B: Former Members Request for Early Payment of Benefits**

This could have a significant impact on council funding as the council may, dependant on each individual's pensionable history, be responsible for the shortfall the early retirement creates.

- The benefits will be payable if there is no cost to the service or
- On compassionate grounds but only when it can be demonstratively shown that the inability of the employee to work is as a result of a severe medical condition of the employee or of the person for which they are the main carer (subject to medical evidence to support the application).

The above will be on the joint authority the Chief Financial Officer or their Deputy (Head of Corporate Finance) and the Head of Human Resources and Development (both parties must agree).

Prior to a decision being made the cost of the award must be obtained and the funding to support the award must be confirmed by the relevant Finance Manager.

## **PART 3 - EARLY TERMINATION OF EMPLOYMENT (DISCRETIONARY COMPENSATION)**

**1 Regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation)** - calculation of a redundancy payment entitlement as if there had been no limit on the amount of the week's pay used in the calculation.

In calculating a redundancy payment, this will be calculated based on the employee's actual weekly pay rather than the statutory weekly limit.

This discretion will apply to members of the teachers' pension scheme too. A separate guidance note is provided at Appendix 2 on the TP scheme.

**2 Regulation 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006** - A one-off lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay (2 years) inclusive of any redundancy payment made

This discretion cannot be applied if augmentation is applied (reg 52). Employees can not have both. If employees contracts are terminated through redundancy an exemption in the age regulations will allow employers to apply an enumerator of the statutory redundancy payment. This exemption does not apply to those who are terminated on efficiency grounds.

The council have decided to adopt this discretion in part and will award an additional lump sum compensation payment equal to the value of the statutory redundancy payment – maximum payment 30 weeks – but only in cases of some compulsory redundancies on the joint authority the Chief Financial Officer or their Deputy (Head of Corporate Finance) nominee and the Head of Human Resources and Development (both parties must agree). Each award will be subject to a cap to employees paid less than scale point 29.

Prior to a decision being made the cost of the award must be obtained and the funding to support the award must be confirmed by the relevant Finance Manager.

**This discretion will apply to members of the teachers' pension scheme too.**

## **PART 4 – APPEAL PROCESS**

**1 Reg 57 A: Internal Dispute Resolution Procedure (IDRP)**

This is contained in the policy statement.



# Walsall Council

## Teachers' Pension Scheme Regulations Policy Statement for all eligible employees

Discretions provided for in the Teachers Pension Scheme Regulations (TPS) are published and will be kept review as a Statement of Policy to explain how the Council will apply certain discretions allowed under these Pension Regulations.

This statement is applicable to all employees of Walsall Council who are eligible to be members of the TPS. This includes all Foundation and Voluntary aided schools who are funded through the Local Education Authority.

Before the exercise of any discretion it will be necessary in each individual case to consider the full financial cost to the council and the Pension Fund.

### Part 1: DECISIONS TO BE MADE AT START OF EMPLOYMENT.

#### THE TEACHERS (COMPENSATION FOR REDUNDANCY AND PREMATURE RETIREMENT) REGULATIONS 1997

##### 1. Power to allow inwards transfer values to be accepted after 12 months' Membership

**This is an existing policy decision – no policy change.**

<b>Explanation</b> This discretion allows the extension of the 12 month time limited transfer of pension rights from previous funds to be extended	<b>Council Policy</b> To allow this discretion in limited circumstances only. Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.
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##### 2. Part V: Power to award additional service – C3C (2)

**This is a new policy decision**

<b>Explanation</b> This discretion allows the employer to award a scheme member additional pension benefits of not more than £5,000 a year, payable from the same date as scheme benefits.	<b>Policy</b> The Council has <u>NOT</u> adopted this discretion.
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## Part 2: DECISIONS TO BE MADE AT TERMINATION OF EMPLOYMENT

### Early Termination of Employment (Discretionary Compensation)

#### 1. Part III – No limit on weekly pay for calculation of redundancy payment

**This is an existing policy decision– no change proposed.**

<b>Explanation</b> The council may decide to calculate a redundancy payment entitlement as if there had been no limit on the amount of the week's pay used in the calculation	<b>Council Policy</b> The council has decided to adopt this discretion and base redundancy payment calculations on an unrestricted week's pay
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#### 2. Part VI: Additional lump sum compensation payment

**This is an existing policy decision– no change proposed.**

<b>Explanation</b> A one-off lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay (2 years) inclusive of any redundancy payment made.	<b>Council Policy</b> The council has decided to adopt this discretion in part and will award an additional lump sum compensation payment equal to the value of the statutory redundancy payment – maximum payment 30 weeks – but only in cases of some compulsory redundancies on the joint authority of the relevant Executive Director with overall responsibility for the service in which the employee works, the Executive Director (CFO) and the Head of Human Resources and Development. Each award will be subject to a cap to be paid to an employee who is paid less than scale point 29.  Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.
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## **The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997**

### **3. Part IV: Premature retirement - Mandatory compensation**

**This is an existing policy decision– no change proposed.**

<b>Explanation</b>	<b>Policy</b>
The LEA can determine that a member of the Teachers' Pension scheme can retire at age 55 with the consent of the employer	The council has adopted this Regulation to apply to approved early retirement of teachers age between 58 and 59 years and 11 months in the following circumstances:- <ol style="list-style-type: none"><li>1. The school closure</li><li>2. The redundancy of a teachers</li><li>3. The reorganisation of a sector of the service.</li></ol>

### **4. Voluntary early retirement – actuarially reduced benefits**

**This is an existing policy decision– no change proposed.**

<b>Explanation</b>	<b>Council Procedures – How the Regulation is to be administered</b>
A teacher can elect to apply for immediate payment of their pension benefits from age 55.	The council decided that they require a teacher to provide 6 month notice of intent. Pension benefits will be paid on an actuarially reduced basis.

### **5: Regulation E31 (11) Average Salary Calculation – Dealing with excessive Salary Increases during the Average Salary Period**

**This is a new policy decision.**

<b>Explanation</b>	<b>Policy</b>
<p>This Regulation applies in certain circumstances to restrict the salary used in the calculation of retirement benefits to 10% plus the standard increase.</p> <p>The employer may decide to pay the additional employers costs that reflect the value of the pension and lump sum produced the actual salary can be used</p>	<p>This is a cost to the service and will not be adopted for funding from council funds. School Governors' may choose to fund the addition from the school's budget but must judge each specific case equally and fairly on its own merits having fully considered service delivery and financial costs.</p>

**March 2009**

# **Teachers' Pensions Scheme Regulations: Policy Statement for all eligible employees**

## **Guidance Notes**

These notes establish clear and robust guidelines to managers and personnel officers. All decisions relating to the payments and discretions contained within this policy need to be objectively justifiable if challenged.

### **PART 1 - DISCRETIONS TO BE APPLIED CONTAINED IN - The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997**

#### **1. Power to allow inwards transfer values to be accepted after 12 months' Membership**

**This is an existing policy decision – no policy change.**

This Regulation was contained in the previous discretionary powers. There could be significant cost to the pension fund liabilities if this discretion was not limited. The extension will be allowed when the delay is of no fault of the employee e.g. previous scheme not providing transfer details in a timely manner. The decision to allow the transfer will be authorised by the Chief Financial Officer or their Deputy (Head of Corporate Finance) on the recommendation of the Payroll & Pensions Control Manager.

#### **2. Part V: Power to award additional service – C3C (2)**

**This is a new policy decision.**

This will be a cost to the service so has not been adopted.

### **Part 2: DECISIONS TO BE MADE AT TERMINATION OF EMPLOYMENT**

#### **1. Early Termination of Employment (Discretionary Compensation) Part III – No limit on weekly pay for calculation of redundancy payment**

**This is an existing policy decision– no change proposed.**

Redundancy payment entitlement will be calculated as if there had been no limit on the amount of the week's pay used in the calculation. In calculating a redundancy payment, this will be calculated based on the employee's actual weekly pay rather than the statutory weekly limit. This will be funded from central funds provided the redundancy is based on council policy of:

1. A school closure approved by cabinet.
2. A reorganisation of a sector of the service.

In the above cases, redeployment options should be actively sought prior to approving any redundancy.

#### **2. Part VI: Additional lump sum compensation payment**

**This is an existing policy decision– no change proposed**

A one-off lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay (2 years) inclusive of any redundancy payment made.



This discretion cannot be applied if premature retirement is agreed. Employees can not have both. If employees contracts are terminated through redundancy an exemption in the age regulations will allow employers to apply an enumerator of the statutory redundancy payment. This exemption does not apply to those who are terminated on efficiency grounds.

The council have decided to adopt this discretion in part and will award an additional lump sum compensation payment equal to the value of the statutory redundancy payment maximum payment 30 weeks – but only in cases of some compulsory redundancies on the joint authority of the Chief Financial Officer or their Deputy (Head of Corporate Finance) and the Head of Human Resources and Development (both parties must agree). Each award will be subject to a cap to employees.

The enhancement will be restricted to a teacher who:

- a) has at least 10 years continuous service with Walsall MBC
- b) must be in circumstance whereby a compulsory redundancy will be avoided
- c) must not have previously received an enhanced severance payment
- d) must not be the subject of formal competency procedures at the time of redundancy.

Prior to a decision being made the cost of the award must be obtained and the funding to support the award must be confirmed by the relevant Finance Manager.

## **The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997**

### **3. Part IV: Premature retirement - Mandatory compensation**

#### **This is an existing policy decision– no change proposed**

This will be a cost to the service and will be payable for the life time of the employee and spouse. This could have a significant impact on council funding. As a result the council have adopted this Regulation to apply to approved early retirement of teachers age between 58 and 59 years and 11 months in the following circumstances:-

1. The school closure
2. The redundancy of a teachers
3. The reorganisation of a sector of the service.

The mandatory payments will be funded from central funds if the award is agreed and made in accordance with the council policy, but only on the joint authority of the Chief Financial Officer or their Deputy (Head of Corporate Finance) and the Head of Human Resources and Development (both parties must agree). Redeployment should be sought prior to consideration of redundancy.

Any awards agreed outside this policy will be funded from school budgets.

### **4. Voluntary early retirement – actuarially reduced benefits**

#### **This is an existing policy decision– no change proposed**

This is an administration procedure which determines when and how the employee can access their retirement benefits on a voluntary basis from age 55 to normal retirement



age. The council requires the teacher to provide 6 months notice of intent. Pension benefits will be paid on an actuarially reduced basis. It is no cost to the service.

**5. Regulation E31 (11) Average Salary Calculation – Dealing with excessive Salary Increases during the Average Salary Period**

**This is a new policy decision**

This is a cost to the service and will not be adopted for funding from council funds. School Governors' may choose to fund the addition from the school budget but must judge each specific case equally and fairly on its own merits having fully considered service delivery and financial costs.

**Wendy Moore - Payroll and Pension Control Manager, March 2009**