

## **Schools Forum**

**6 December 2016**

### **Council Budget Saving Proposals 2017/18 - Cessation of Retirement Awards**

#### **Purpose of report**

To consult with Schools Forum in relation to a Council budget saving proposal in regard to the cessation of its Retirement Award scheme with effect from 1<sup>st</sup> April 2017.

#### **Recommendations**

To seek feedback by 9<sup>th</sup> January 2017 to the proposed cessation of the Retirement Award scheme wef 1<sup>st</sup> April 2017.

#### **Background**

Cabinet gave approval at its meeting on 26 October 2017 that consultation could commence on a number of budget saving proposals for 2017/18 including to cease the Council's Retirement Awards scheme with effect from 1<sup>st</sup> April 2017.

Such an award is as detailed in the Council's Retirement Award Procedure which was last updated 13 October 2016. (Attached)

The Retirement Awards scheme is payable to all Council employees, including those employed at schools, upon retirement who have a minimum of 10 years aggregated Walsall Council service.

The Award scheme pays £12.50 for each year of Walsall Service subject to a minimum of 10 years aggregated service. The payment is pro rata for part time staff and is a non-contractual payment.

The Award scheme is not a long service award as it is based purely on retirement from the service.

## **Proposal**

To cease the Retirement Award Scheme with effect from 1<sup>st</sup> April 2017.

## **Financial implications/Value for Money**

It is recognised that such a cessation may for some staff have a negative impact on their motivation and morale. However as such an award only applies to a relatively small number of staff each year (less than a hundred in 2015/2016 across both schools and corporate) who by being eligible to receive such an award will already be in receipt of monies linked to their retirement, such an additional award is viewed as non-essential particularly recognising the difficult financial climate the Council faces.

The level of saving for 2017/18 is estimated to be in the region of £26K if the proposal is implemented.

## **Legal Implications**

As such an award is non-contractual then only reasonable notice of its cessation is required, which this process will provide.

## **School Improvement**

None

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# Retirement Award procedure



## Document information

Document title	Retirement Award Procedure		
Owner	HR Payroll & Pensions		
Status	Approved	Version	4
Effective from	01/04/2016	Approved on	
Review date	01/04/2018		
Last updated	13/10/2016	Last updated by	J Nagra
Purpose	To show the process of making the payment in relation to the Retirement Award		

## Criteria

The award is payable to an employee retiring with a minimum of ten years aggregated service with Walsall Council. The Retirement Award Scheme is NOT a long service award. It is based purely on retirement from the service.

## Eligibility

An employee must have a minimum of ten years aggregated service with the Council to qualify for an award.

An award can only be made if an employee is retiring.

An award should be calculated on confirmation of the retirement date, length of service and hours of employment.

## Procedure

1. Each time that you get a leavers form with the reason as retirement for all employees if they are in the pension scheme or not. Only employees with a minimum of 10 year's service who are retiring from the authority are entitled to the award
2. You will then need to open cfs03 Payroll, Working Documents, retirement awards (lower case). You will need to save this report for the respective employee in this folder you will then need to rename the file accordingly. (surname, forename)
3. Complete all information required on the worksheet – name, employee number, Walsall MBC start date (it is important when inputting the commencement of employment that you check the start date on Intelligent online, in case there is any reckonable service) To be included in the calculation it would need to have been Walsall Council service not another MBC/ Local Authority. Ensure that if they have concurrent employments that you pick the position they occupied upon retirement. If



they have multiple posts that finished at the same time, chose the position with the most hours and input this into the spreadsheet.

4. The hours for teaching are  $X/32.5$  and for non teaching it is  $X/37$ . The worksheet will then calculate the amount payable. (The figure calculated will attract tax and National Insurance if applicable). These can now be passed to be checked by the pension officer and signed off for completion.
5. Once the spreadsheet has been passed back you can enter the payment on the payroll system we use element 692. (only once they have left)
6. A signed copy should now be placed on the file and a copy to be sent to the employee.

