



Teachers

## Premature Retirement and Redundancy Discretionary Compensation Policy

Effective : January 2016



# TEACHERS PREMATURE RETIREMENT AND REDUNDANCY DISCRETIONARY COMPENSATION POLICY

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## INTRODUCTION

It is recognised that schools may have to review their staffing levels and will have to reduce staffing numbers for a variety of reasons. Whilst this can often be managed without redundancies, this Policy provides details of compensation payments for teachers whose posts are made redundant or who are accepted as volunteers for redundancy.

It is the responsibility of the School's Governing Body to put forward recommendations for dismissal by reason of redundancy to the Local Authority (LA). The LA is required to comply with the governing body's recommendations and will issue the notice of dismissal. Both the School and the LA will make every effort to obtain redeployment for the employee concerned.

This Scheme complies with The Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015 No. 601, and The Teachers' Pension Scheme (Amendment) Regulations 2015; and should be read in conjunction with the Model Schools Procedure for Addressing Surplus Staff Situation.

There is a separate Discretionary Compensation policy for School Support Staff who are members of the Local Government Pension Scheme (LGPS).

## SCOPE

This Policy applies to all teachers who are members of, or eligible for entry to, the Teachers Pension Scheme and who voluntarily apply for and are accepted under the terms of the Schools redundancy process or whose posts are declared redundant (compulsory redundancy).

This policy also applies to centrally employed teachers who are directly employed by the Local Authority in terms of compensation payments but decisions regarding redundancy dismissals and redeployment are the sole responsibility of the Council.

## GENERAL PRINCIPLES

It is the Local Authority's discretion to grant premature retirement and related benefits on the grounds of redundancy or organisational efficiency. Unreduced premature benefits can only be paid if the reason for payment complies with the current Teachers Pensions Scheme Regulations. For example:

- Premature retirement is not an option at the end of a fixed term contract (although it is an option if the redundancy or organisational efficiency causes the fixed term contract to end prematurely).
- The employee must stop all teaching work before premature retirement payments can be made. If they are a supply teacher their contract must have ended. A non working day is not a break in service.
- Premature retirement payments cannot be paid in addition to a severance payment.

Access to pension benefits is available when the teacher has reached the age of 55, has a minimum of two years continuous service at the termination date and where supported by a business case using the LA business case template.

A business case will be required for all redundancy severance terminations even when premature retirement is under consideration.

## COMPENSATION FOR REDUNDANCY TERMINATION

**Statutory** redundancy payments are currently capped at £475 per week (figures effective from 1<sup>st</sup> October 2015) and also capped at 30 weeks maximum payment subject to age and service at date of leaving (See Appendix A).

**Teachers who fall within the scope of this policy and who meet the appropriate eligibility requirements will receive one of the following:**

Teachers who are eligible for release of pension	Access to premature retirement benefits and a redundancy payment based upon the statutory payment level
Teachers who are <b>NOT</b> eligible for release of pension	A redundancy payment based on actual salary, age and length of service of the teacher up to a maximum of 30 weeks

## ORGANISATIONAL EFFICIENCY RETIREMENT

Early release of pension benefits may apply when employees retire in the interests of organisational efficiency. No other compensation is payable.

## DISCRETIONARY SEVERANCE SCHEME - CENTRALLY EMPLOYED TEACHERS ONLY

Centrally employed teachers (i.e. those who are employed directly by the Local Authority) who apply for and are released on the grounds of voluntary severance under the terms of Carmarthenshire County Council's Discretionary Severance Scheme are eligible for:

- A severance compensation payment as outlined in the Severance Scheme OR
- Access to premature retirement pension benefits (if aged 55 and over)

## BUSINESS CASE APPROVAL

Each redundancy and / or retirement of a Teacher must be supported by a business case which gives the reasons for the redundancy and / or retirement and details the cost to the Local Authority. This should be presented on the agreed business case template and should provide all the information required. Schools are recommended to liaise closely with their Finance Officer / Group Accountant and Human Resources Advisor when developing the case. It should then be signed by the Chair of the Governing Body, the budget holder within the Local Authority and agreement for the teacher's release by the

Director of Education and Children's Services. The Business Case template is available from your HR Advisor or Group Accountant. Payments will only be approved when all corporate checks and validations are complete. A Teacher must not be released from employment until the business case has been fully approved.

The cost of redundancy and early retirement will be funded in full by the Local Authority unless the Council believes there is 'good reason' to recharge them to the school's delegated budget. 'Good reason' includes a deliberate disregard of the advice given by, or on behalf of, the Director of Education and Children's Services, Director of Corporate Services and / or the Assistant Chief Executive (People Management & Performance).

In the case of deliberate disregard of this advice, all costs, including redundancy payments and any costs arising at a later date, including costs relating to Employment Tribunal claims, may be recharged to the school's delegated budget.

It should be noted that the Local Authority will not meet the additional cost of benefits in the event that the retiring teacher's salary has increased by more than 10% except for the standard salary increases during the three years prior to retirement.

## **REVIEW**

This policy will be reviewed on a regular basis.

Statutory Redundancy Pay table

Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	1	1½	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	1	1½	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	1	1½	2	2½	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	1	1½	2	2½	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	1	1½	2	2½	3	3½	-	-	-	-	-	-	-	-	-	-	-	-	-
23	1½	2	2½	3	3½	4	4½	-	-	-	-	-	-	-	-	-	-	-	-
24	2	2½	3	3½	4	4½	5	5½	-	-	-	-	-	-	-	-	-	-	-
25	2	3	3½	4	4½	5	5½	6	6½	-	-	-	-	-	-	-	-	-	-
26	2	3	4	4½	5	5½	6	6½	7	7½	-	-	-	-	-	-	-	-	-
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-	-	-	-	-	-	-	-
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-	-	-	-	-	-	-
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-	-	-	-	-	-
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-	-	-	-	-
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-	-	-	-
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-	-	-
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-	-
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30