
STATUTORY INSTRUMENTS

2000 No. 1410

The Local Government (Early Termination of
Employment) (Discretionary Compensation)
(England and Wales) Regulations 2000

PART III

DISCRETIONARY COMPENSATION FOR REDUNDANCY: GENERAL

Discretionary compensation for redundancy: general

6.—(1) This Part applies where a person—

- (a) ceases to hold his employment with a Scheme employer;
- (b) in respect of that cessation—
 - (i) has not lost his right to a redundancy payment under Part XI of the 1996 Act by agreement under section 197(3) of that Act (agreements to exclude rights to redundancy payments on expiry of short fixed term contracts);
 - (ii) may not count an additional period of membership under regulation 52 (power of employing authority to increase total membership of members leaving employment at or after 50) of the Pension Regulations; and
 - (iii) either is not entitled to have his case considered for compensation under Part IV or is so entitled but has not been awarded a credited period;
- (c) is over 18 and under 65 on the termination date;
- (d) if under 50 on the termination date, is entitled to count a qualifying employment of at least two years; and
- (e) has a total membership not exceeding 40 years.

(2) Where this Part applies, the Scheme employer may, not later than six months after the termination date, decide to pay compensation under this Part; and in that event shall, as soon as reasonably practicable after the decision, notify the person in whose favour it has been made, giving details of the calculation of the compensation.

(3) The amount of compensation must not exceed one week's pay for each complete week between the termination date and the person's normal retirement date ("NRD") or, if he is not a Scheme member, the date that would be his NRD if he were and, subject to that, must not exceed 66 weeks' pay or, if less, whichever of sub-paragraphs (a) to (d) applies to him—

- (a) if the employee is at least 18 but under 20 on the termination date, half a week's pay for each complete year of qualifying employment after he became 18;
- (b) if the employee is at least 20 but under 23 on the termination date—
 - (i) half a week's pay for each complete year of qualifying employment after he became 18; and

- (ii) an additional half a week's pay for each complete year of qualifying employment after he became 20;
 - (c) if the employee is at least 23 but under 41 on the termination date, two weeks' pay for each complete year of qualifying employment after he became 18; or
 - (d) if the employee is at least 41 on the termination date—
 - (i) two weeks' pay for each complete year of qualifying employment after he became 18; and
 - (ii) an additional three weeks' pay for each complete year of qualifying employment after he became 41.
- (4) Chapter II of Part XIV (interpretation) of the 1996 Act (calculation of a week's pay) shall apply for the purpose of calculations under paragraph (3) as it applies for the purpose of calculating redundancy payments but with the substitution for references to the calculation date of references to the termination date.
- (5) In calculating compensation under this Part the Scheme employer shall exclude any years of qualifying employment which they or any other Scheme employer have taken into account when calculating compensation already paid under these Regulations or other regulations made under section 24 of the 1972 Act, other than years of concurrent qualifying employment.
- (6) If the person in whose favour a determination under paragraph (2) has been made receives a redundancy payment, the equivalent amount shall be deducted from the compensation otherwise payable to him under this Part.
- (7) Compensation payable under this Part shall be paid by the Scheme employer, as soon as practicable after the determination under paragraph (2), in the form of a lump sum.