



**LOCAL GOVERNMENT PENSION SCHEME (LGPS) EMPLOYER
DISCRETIONARY COMPENSATION POLICY
With effect from 17 May 2012**

CONTENTS

Item	Context	Page No
1.0	Introductory Notes	2
2.0	Statement of Policy	3
3.0	Regulations	3-6

1.0 Introductory Notes:

The Local Government Pension Scheme is a statutory scheme; that is, most of the rules and regulations are laid down by the Government of the day.

There are, however, some areas of the Scheme that are left to be decided by Employers such as Ryedale District Council. Most of these are included in the LGPS Employer Discretion Policy (LGPS) 2012 that can be accessed via the Intranet (under 'Pensions') but Discretionary Compensation awards are covered in this separate Policy. **These discretions are mainly concerned with awards on redundancy and efficiency departures.**

Any queries relating to these discretions should be referred to HR.

2.0 Statement Of Policy

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

And

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

The following is a statement of Ryedale District Council's (RDC) policy on the exercise of discretions under the above two Regulations as required by those Regulations. The policy represents clear guidance on the exercise of any particular discretion.

The decision maker retains the right to deviate from the policy in exceptional circumstances. RDC retains the right to amend these policies at any time. RDC recognises that any change to the policies contained herein must be published within one month of the decision to amend the policy and that they must not give effect to any policy change until one month has elapsed since the date of such publication. The policies confer no contractual rights. The policy in force at the time of a relevant event occurring will be the one that is applied, notwithstanding the above proviso and any transitional protections that may be in force.

3.0 Regulations

5	Power to increase statutory redundancy payments The employer may pay, under this regulation, compensation to a level not exceeding the difference between the statutory redundancy pay under part XI of the 1996 Act (ERA 1996) and the payment to which he would have been entitled had no limit on week's pay been used in the calculation.	RDC uses actual salary in the calculation of redundancy payment as opposed to the statutory maximum as per s. 227 ERA 1996, in accordance with Regulation 5 of DCR 2006.
---	---	--

<p>6</p>	<p>Discretionary compensation for redundancy</p> <p>Where a member has not been awarded an additional period of Local Government service under Regulation 12 of the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended), his employer may pay, not later than six months after the date of termination, compensation under this regulation.</p> <p>That amount must not exceed 104 weeks' pay.</p>	<p>Lump sum compensation payments will be made to all employees.</p> <p>Severance payments will be calculated by applying a multiplier of 1.5 to each completed year of service, up to a maximum of 20 years service (30 weeks).</p> <p>For employees affected by TUPE regulations, RDC will take legal advice where appropriate.</p>
<p>11(2)</p>	<p>Compensatory Added Years (no longer awarded)</p> <p>The employer may award to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30th September 2006 and before 1st April 2007 (but only if employment had commenced pre 1st October 2006)</p>	<p>It is not the policy of RDC to make such awards.</p> <p>For employees affected by TUPE regulations, RDC will take legal advice where appropriate.</p>
<p>21(4)</p>	<p>Surviving Spouse's Compensatory Added Years payment.</p> <p>The employer may determine how to apportion any surviving spouse's annual compensatory added years' payment where the deceased is survived by more than one spouse.</p>	<p>RDC will consider each case on its merits</p>

<p>25(2)</p>	<p>Children’s Compensatory Added Years Payment.</p> <p>The employer may decide to whom any children’s compensatory added years’ payments are to be paid where children’s pensions are not payable under the LGPS (because the employee had not joined the LGPS) and in such a case, how the added years will be apportioned amongst the eligible children.</p>	<p>RDC will consider each case on its merits</p>
<p>21(7)</p>	<p>Circumstances under which surviving spouse’s compensatory added years’ payments should continue after remarriage, cohabitation or entering into a civil partnership.</p> <p>The employer may decide, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1st April 1998, whether the normal pension suspension rules should be dis-applied, ie whether the spouse’s or civil partner’s annual compensatory added years payments should continue to be paid</p>	<p>RDC will consider each case on its merits</p>
<p>21(5)</p>	<p>Reinstatement of surviving spouse’s compensatory added years payment.</p> <p>If, under the preceding decision, the employer decides to apply the normal suspension rules, the employer can then decide whether the payment should be reinstated after the end of the</p>	<p>If RDC determined to suspend such payment, it will reinstate after the end of the remarriage, new civil partnership or cohabitation.</p>

	remarriage, new civil partnership or cohabitation	
17	<p>Suspension of member's annual compensatory added years payment during any period of re employment in local government.</p> <p>The employer may determine whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re employment in local government.</p>	<p>RDC will make a determination after consultation with the Administering Authority and having regard to the date of original award.</p>
19	<p>Effect on member's annual compensatory added years payment following cessation of a period of re employment in local government.</p> <p>The employer may determine how to reduce the member's annual compensatory added years payment following the cessation of a period of re employment in local government.</p>	<p>RDC will make a determination after consultation with the Administering Authority and having regard to the date of original award.</p>