

**TO: EMPLOYMENT COMMITTEE - 18 DECEMBER 2006**

**SUBJECT: CHANGES TO LGPS REDUNDANCY REGULATIONS**

**FROM: CORPORATE PERSONNEL SERVICES/FINANCE**

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**1. Purpose of the Report**

- 1.1 To request the Employment Committee agrees to the use of the transitional provisions prior to implementing changes to the redundancy, retirement on the grounds of redundancy and termination of the grounds of efficiency of the service schemes on 1<sup>st</sup> April 2007.

**2. Background**

- 2.1 In November the Committee considered a report in relation to the implications of the proposed changes to LGPS (England and Wales) Compensation Regulations and the statutory redundancy regulations in light of the Employment Equality (Age) Regulations 2006, that came into effect on 1<sup>st</sup> October 2006, rendering the existing discretionary powers to grant 'added years' and severance payments unlawful.
- 2.2 The regulations were finalized at the end of November and contain transitional provisions to the end of the current 2006/7 financial year which means that an employer can choose to use either the 2000 regulations or the 2006 regulations for a person whose employment with them commenced before 1st October 2006 and whose termination date is on or after 1st October 2006 and before 1st April 2007. This means that an employer may make an award of compensatory added years to any employee whose employment terminates before 1st April 2007.
- 2.3 Employers were reminded of the 2000 Compensatory Added Years Regs, the rules of the LGPS (Regulation 52 - Augmentation of Benefits) which allow employers to grant up to 6 2/3 added years to any active scheme member (irrespective of age).
- 2.4 CMT is considering a range of options at its December meeting, the recommendations of CMT will then be fully consulted on the with UNISON and GMB/MPO prior to a report being submitted to the 13<sup>th</sup> March 2007 Employment Committee for consideration.
- 2.5 Confirmation letter regarding the pension scheme changes attached as appendix 1.

**3. Policy and Budget Framework**

- 3.1 The revisions to the Severance Payments, Early Retirement on the Grounds of Redundancy and Efficiency of the Service will ensure that the new regulations are implemented.

- 3.2 The impact of the costs of a new policy are yet to be determined and will depend on the options chosen.

#### **4. Recommendations**

- 4.1 Members of the Employment Committee are requested to note the changes to the Local Government Pension Scheme (LGPS) and agree that Warwick District Council uses the transitional provisions to the end of 2006/2007, prior to a new scheme being implemented.

Acting Strategic Director  
Financial Services Manager

### **BACKGROUND PAPERS**

#### **8<sup>th</sup> November 2006 - Employment Report**

**Any relevant papers:**      **None**

**Areas in District Affected:** **None**

**Key Decision:**              **No**

**Included in Forward Plan:**      **No**

**For further information about this report please contact:**

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