

Voluntary Release Scheme

(September 2019)

Voluntary Release Scheme (VRS)	Applies to all Council employees
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Introduction

This document provides guidance for managers and employees in the application process for staff who wish to apply for the Voluntary Release Scheme. This is a scheme of mutual benefit, to both an employee and the council, for an individual to voluntarily choose to leave their employment, with the agreement of the council, in return for a release payment.

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1 Eligibility

To be eligible to receive a payment under this scheme, applicants must be directly employed by the London Borough of Newham and have completed two years of continuous local government employment.

2 Scope of the Scheme

- The scheme is voluntary, the council cannot guarantee that all applications will be approved;
- The level of agency worker usage within services will be factored into the decision-making process.
- Applications from services where there are roles which are hard to retain or recruit to are less likely to be successful, this may include Refuse, Social Care and Planning.
- Staff will not be re-engaged in any capacity, including as a consultant, within twelve months of leaving the council's employ where employment has been terminated on grounds of voluntary release.
- There is no right of appeal against the decision of the council and all applications are made on this understanding.
- All the costs of the approved VRS applications must be met from the savings generated over a period of not more than 2.2 years.

3 Application Process

Staff who are interested in applying for early retirement or voluntary redundancy can do this by completing the online VRS application form using the VRS portal. If you do not have online access contact the Voluntary Release Team at voluntary.release@newham.gov.uk

Before applying staff should calculate their redundancy estimate using the VRS online calculator. Staff over 55 years who require an estimate of pension entitlement can also request this using the VRS portal.
Out of courtesy staff should notify their line manager of the application.

A completed application form is automatically sent to the appropriate budget holding manager to prepare a business case. At this stage the business case will include a recommendation to support or not support the VRS application.

The recommendation of the budget holding manager will be sent to the appropriate Corporate Director for verification and approval/rejection. Corporate Directors will ensure that fair and consistent criteria has been applied to all the applications made within their service areas.

The Corporate Management Team will review all VRS applications for final approval or rejection. HR will communicate application outcomes to line managers and staff.

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Redundancy Payments and Benefits

Voluntary Redundancy for staff aged under 55 years

In accordance with the Employment Rights Act 1996, employees must have completed at least two years' continuous local government service or two years' continuous service with other specific bodies covered by The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 in order to qualify for Redundancy benefits.

Staff whose service is terminated on the grounds of voluntary redundancy will be entitled to an enhanced statutory redundancy payment ("Enhanced Statutory Redundancy").

Enhanced Statutory Redundancy Pay

The Council currently increases the minimum statutory redundancy payment by removing the weekly pay cap under the Employment Rights Act 1996 and basing the payment on the employee's actual weekly pay. Enhanced Statutory Redundancy is calculated by reference to the table published by the Department for Business, Innovation and Skills, according to age and length of service (Appendix One).

Voluntary Redundancy for staff aged over 55 years and not in the Pension Scheme

Staff aged 55 years and over and are not in the Local Government Pension Scheme (or have been LGPS members for less than two years), are eligible to apply for a voluntary redundancy payment only. Where a formal application is approved, staff will be permitted to leave the council with a redundancy payment in accordance with the council's Early Retirement and Redundancy Payments Policy and as described in Appendix Two.

See Appendix Two for examples of voluntary redundancy calculations, alternatively, use the online redundancy calculator via the VRS portal.

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Pension Benefits

Staff aged 55 years and over and members of the Local Government Pension Scheme for at least two years, are eligible to apply for a voluntary redundancy payment and the release of an unreduced pension benefit. Redundancy payments are calculated as set out in Appendix Two and upon request HR will arrange for the Local Government Pension Scheme Administrators to provide staff with individual pension estimates.

The council will consider all applications with three potential outcomes:

1. The application is **approved**. An end date will be agreed in discussion with the staff member and line manager.
2. The application is **not approved** there is **no right of appeal** against the decision of the council.
3. In some cases it may not be possible to reach a decision straight away as further information may be required. Where it is not possible to make an early decision, HR will inform the line manager and staff member.

Appendix One

Ready Reckoner for calculating the number of weeks' pay due.

Service (Years)																				
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
18	1																			
19	1	1½																		
20	1	1½	2																	
21	1	1½	2	2½																
22	1	1½	2	2½	3															
23	1½	2	2½	3	3½	4														
24	2	2½	3	3½	4	4½	5													
25	2	3	3½	4	4½	5	5½	6												
26	2	3	4	4½	5	5½	6	6½	7											
27	2	3	4	5	5½	6	6½	7	7½	8										
28	2	3	4	5	6	6½	7	7½	8	8½	9									
29	2	3	4	5	6	7	7½	8	8½	9	9½	10								
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11							
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12						
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13					
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14				
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15			
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16		
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	

Appendix Two

Examples of voluntary redundancy payment calculations – the amount of weeks pay is calculated by using the Ready Reckoner at Appendix One.

Employee A is 46 years old, has 12 years of service and earning an annual salary of £26,235

Voluntary Release pay= (£26,235 / 365 x 7 days) x 14.5 weeks = £7,295.48

Employee B is 53 years old, has 24 years of service and earning an annual salary of £20,118

Voluntary Release pay= (£20,118 / 365 x 7 days) x 26 weeks = £10,031.44

Employee C is 39 years old, has 18 years of service and earning an annual salary of £75,591

Voluntary Release pay= (£75,591 / 365 x 7 days) x 17.5 weeks = £25,369.58