

## **Item 8: Pay Policy Statement – Revision to page 58, para 27**

Following the short-notice revocation at the weekend by the Government of the Restriction of Public Sector Exit Payments Regulations, paragraph 27 of the Pay Policy Statement will have to be revised before it goes to Court of Common Council as below.

*27. Unreduced benefits are payable if retirement is from Normal Pension Age, with normal pension age linked to the State Pension Age from 1 April 2014, unless protections in the Pension Scheme allow for an earlier date. Early retirement, with immediate payment of pension benefits, ~~has hitherto~~ is also ~~been possible under the Pension Scheme following dismissal on redundancy or business efficiency grounds from age 55 onwards and on grounds of permanent ill-health at any age. This position, as regards redundancies and similar dismissals, is changed fundamentally by the introduction of the Exit Payment Regulations in the autumn of 2020. These set a limit of £95,000 in “exit payments” to persons leaving employment in defined public authorities. Included in “exit payments” are “pension strain” costs, which include the costs to the employing authority of making early payment of pensions, other than in certain very limited circumstances. This will have a considerable impact across local authorities, and will necessitate change to the way the Local Government Pension Scheme Regulations operate. At present a Government consultation exercise is being undertaken on this and revised Regulations or other associated legislative changes that would have the same effect have yet to be finalised.~~*