

Redundancy Formula Applied April 2011 – June 2013
Proposed for reintroduction 1st October 2015 for 2 years.

Redundancy Category	Payments		
	Redundancy Payment *	Discretionary Payment**	Pension***
A Compulsory (Under 55 yrs) Includes Volunteers who achieve the required savings.	Yes	Yes	N/A
B Compulsory (55 & over) Includes Volunteers who achieve the required savings.	Yes	No	Yes (unabated)
C Volunteers (Under 55 yrs) who do not achieve the required savings but where efficiencies would be achieved.	Yes	No	N/A
D Volunteers (55 yrs & over) who do not achieve the required savings but where efficiencies would be achieved.	No	No	Yes (unabated)

***Redundancy Payment**

The redundancy payment is based on length of service and is calculated using the following:

- Below the age of 22 : 0.5 weeks actual pay for each full year of service
- Age 22 – 40 : 1 weeks actual pay for each full year of service
- Age 41+ : 1.5 weeks actual pay for each full year of service

The maximum number of years which can be used for calculation purposes is 20 years. If an employee has more than 20 years' service, the last 20 years would be used. A maximum 20 years' service = maximum 30 weeks actual pay).

****Discretionary Payment**

The discretionary payment is based on x 0.5 of the Redundancy Payment.

*****Pension**

Abated pension = the pension is reduced to take account of the extra cost incurred by the City pension fund as a result of the individual working less years but receiving a pension longer than the local government pension scheme assumes.

Unabated Pension = the pension and any lump sum accrued to date of leaving is not reduced. If there is an extra cost due to early payment incurred by the City pension fund this is covered by the City (the pension strain).