



UNISON comments on
Options for a New Early Retirement Scheme

COMPENSATION REGULATIONS

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A compensation payment is made to an employee by an employer at the time of dismissal. This could be the result of the termination of a post for a cost saving exercise, re-organisation of a department or through efficiency of the service.

Compensation is paid by both the Private and Public Sector.

This is only an interim arrangement and will only cover those employees who are displaced between April 1st 2007 and March 31st 2008 – when new Local Government Pension Scheme rules will come into force. At this time further negotiations will need to take place.

What approach are other authorities adopting? Should Watford Borough Council harmonise policy with Three Rivers and Dacorum. These two authorities Watford Council are planning to go into shared partnership with in the future. Both of these councils are offering their employees the calculation of:-

2.2 x no. of weeks actual pay (equivalent to a max. of 66 weeks pay)

The question from UNISON on behalf of their members is why Watford Council would wish to lag behind on their compensation regulations to employees. Watford Council have taken a decision to use their discretion and not allow added years (on pensions) to those employees above the age of 55 years. Other authorities have not all taken this decision.

The offer currently before you is to apply a 1.5 calculator to the statutory calculator. This offer would result in an employee due the maximum of 30 weeks redundancy actually getting 45 weeks compensation. This in fact only applies to a very small number of employees, not to everybody who is displaced. This on the surface appears to be a generous offer, but we should be taking into account the fact that employees will no longer have any added years to their pensions. A few weeks redundancy money is short term cash which could result in hardship from loyal employees who through no fault of their own have lost their jobs. An example would be an officer of 56 years of age with 10 years service would result in a compensation payment of 7 ½ weeks redundancy without any added pension years.

Asking for a 2.2 x no. of week's actual pay to be looked at and applied would of course be more expensive but this should be off-set against the huge saving due to the fact that Watford Council made a decision not to pay added years on pensions.

What UNISON Watford Branch would like to recommend to Members is the acceptance of this interim arrangement of 66 weeks compensation regulations for the next financial year.

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UNISON Watford Branch.

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