

VOLUNTARY SEVERANCE SCHEME

FREQUENTLY ASKED QUESTIONS

DETAILS OF THE SCHEME

Why do we have a Voluntary Severance Scheme?

The scheme has successfully supported a number of members of staff to voluntarily leave the Council to explore other interests and opportunities, or simply to begin enjoying their retirement.

The VS scheme offers options to staff. It also assists the Council to facilitate organisational change and transformation, as well as help deliver a balanced budget.

Staff choosing to exit the organisation through VS also helps the Council to continue its position of protecting people and avoiding compulsory redundancies as far as possible.

Who is eligible to apply for VS?

All Council employees with the exception of Teachers. Employees who are members of the Scottish Teachers' Superannuation Scheme but are not employed as Teachers are also eligible to apply.

Are added years still available?

No. The Council approved the removal of added years in 2019.

What is the process?

If you are considering applying for VS, please talk to your line manager in the first instance. This will allow you and your manager to discuss your request, allow you to seek clarification on the Scheme and ensure that any relevant information in support of your request will be available for the initial assessment. Your request will then be considered by your Service, Finance and Human Resources - this will provide an initial screening of your request to determine whether it meets the required criteria of the Scheme (sustainable revenue budget savings and the impact on service delivery). If approved, your request will be forwarded to the Pension Team at Dundee City Council to prepare your VS figures. If you are eligible for a severance payment, this will be calculated by the Council. If we decide not to provide a VS estimate for you at this time, the reasons will be explained.

What options are available to staff who want to apply for VS?

- Employees aged 55 and over who are members of the Local Government Pension Scheme (LGPS) can apply to access their pension on an unreduced basis.
- Employees aged 50-54 who were members of the LGPS on 5 April 2006 can apply to access their pension on an unreduced basis.

- From 1 March 2023, employees aged under 50, those over 50 who are not members of the LGPS and those aged 50-54 who were not in the LGPS on 5 April 2006 can apply for a voluntary severance payment plus a cash flat payment of £6,000 (pro-rated for part-time staff).

Please note that eligibility for the scheme will be based on your age on your preferred retirement date.

When do I need to discuss my request with my line manager?

You must discuss this with your manager before submitting your request for VS figures. This will allow you and your manager to ensure that any relevant information can be included in the initial assessment.

APPLICATION PROCESS

I don't think I want to apply for Voluntary Severance – I am just curious about how much I would get. Can I still ask for an estimate?

In the first instance, you should refer to [the Tayside Pension Fund's online portal](#). We are unable to process speculative enquiries due to the resourcing implications for both the Payroll & Reward and the Pension Teams.

What criteria will be used to assess applications?

- Sustainable Revenue Budget Savings – ie must produce a saving. Priority will be given to those voluntary severance requests which have a payback period of less than 60 months, with priority given to those which have a payback period of less than 24 months.
- Impact on service delivery through retaining a balanced workforce in terms of skills, competencies and experience, scope for redeployment or by the creation of additional Modern Apprenticeship or Graduate Trainee opportunities.

I have two jobs with the Council – can I take VS for both?

Yes, you should complete form VS1 for each post and submit them to Human Resources.

If I submit a request for pension figures and receive details of my financial package, would I have to go ahead with the severance?

No, requesting VS figures does not place any obligation on either the employee to proceed with the request or the Council to approve it. When you receive your estimate, you will also receive a form to complete, and return should you wish your application for severance to go forward to be considered.

Who will consider my application for VS?

Your Service Manager will normally prepare a business case and submit this to your Service Senior Management Team (SMT). If approved, it will be submitted to the Executive Leadership Team (ELT) who will take a corporate overview and make a final decision. Requests from Chief Officers require consideration and decisions by the Finance & Resources Executive Sub-Committee.

I previously applied and was told 'no' – is it worthwhile me applying again?

Things may have changed, so we would encourage you to speak to your manager in the first instance. Please be aware that, if there is no reasonable prospect of your VS request being approved, then we will not prepare a VS estimate for you at this time. If that is the case, we will contact you to explain the reasons why. If a recent pension estimate is available, a further estimate will not be requested unless there are significant material changes.

Is there a right of appeal if an application is refused?

There will be no right of appeal at any stage in the process. Full written details of the reasons for the application being refused will be provided to the employee.

PENSION INFORMATION

I've got LGPS service pre-April 2015 and I also have service in the CARE scheme. How will my pension be calculated?

Each period of your service will be calculated separately and added together. Your pre-April 2015 membership will be calculated on your membership to 31 March 2015 and your final pensionable pay at leaving. Your LGPS CARE pension will be calculated based on a revalued annual pension built up of 1/49th of your pensionable pay in each year. Then these amounts will be added together to form your total LGPS pension. You cannot take these pensions separately.

What is pensionable pay?

For membership accrued up to 31 March 2015, the calculation of pensionable pay has not changed. Therefore, if you work part-time, your pension is based on the full-time equivalent salary, but your scheme membership is reduced to reflect your working pattern.

For membership accrued from 1 April 2015 under the CARE (Career Average Revalued Earnings) Scheme, the calculation of pensionable pay has changed.

You will continue to pay contributions on your normal salary or wages (including on any additional hours worked in excess of your contractual hours, up to a maximum of the standard full-time working week for your post), and on contractual overtime, shift allowances, Maternity Pay, Paternity Pay, Adoption Pay, Shared Parental Pay and any other taxable benefit specified in your contract as being pensionable, but these elements are no longer taken to a fulltime equivalent in the calculation of benefits, and accordingly no adjustment is made to reduce your scheme membership from 1 April 2015 onwards.

How is my pensionable pay calculated?

Your pensionable pay will be sent by the Council's Payroll & Reward Team to the Tayside Pension Fund Pension Team and the value shown is the amount of your pay on which you will have paid pension contributions up to your leaving date.

How will the severance payment be calculated?

Severance payments are based on your weekly pay, age, and continuous local government service. Severance payments will be made to employees under 50, those over 50 who are not members of the LGPS or those aged 50-54 who were not members of the LGPS on 5 April 2006.

Can you explain the £6,000 payment?

The cash flat payment of £6,000 (pro-rated for part-time staff) will be paid in addition to the severance payment. This will be made to employees under 50, those over 50 who are not members of the LGPS or those aged 50-54 who were not members of the LGPS on 5 April 2006.

If someone takes a severance package and they are not entitled to access their pension, what will happen to it?

Employees aged under 50, or aged 50-54 who were not members of the LGPS on 5 April 2006, will have their pension deferred until they retire or are employed by an organisation covered by the LGPS or transfer their pension benefits to another scheme.

If someone takes a severance package and they are over 55, will they be able to access their unreduced pension immediately?

Yes. Where an employee is a member of the LGPS and they retire on grounds of efficiency of the service, their pension benefits must be brought into payment immediately.

What is the Rule of 85?

If you were a member of the LGPS on 30 November 2006, some or all your benefits which are paid early could be protected from reduction under the Rule of 85. This is when your age (at the date you draw your benefits) and your scheme membership add up to 85 or more.

The Rule of 85 applies only in Voluntary and Flexible Retirement situations – not for retirement on grounds of efficiency of the service which is used for Voluntary Severance, or redundancy. Therefore, depending on your own retirement plans, this may be an issue for you to consider if you have transitional protection.

I have a certificate of pension protection. How long is it valid and how will my estimate of VS figures be calculated?

A certificate of protection is valid for 10 years from the date of the reduction or restriction in pay. We will provide figures using your protected earnings.

I have a deferred pension – what will happen to it? Will it be included in my pension figures?

Your deferred pension will remain where it is - you can access your deferred pension anytime from your 55th birthday until your Normal Pension Age.

Your current pension will be used to calculate your VSS entitlement.

I have AVCs – will they appear in my pension information?

Yes, the Pension Team will detail the current cash value of your AVC, and this will be shown in the information provided to you.

PART-TIME EMPLOYEES

I work part-time additional hours on a regular basis. Will these hours be included in my pensionable pay?

Yes, part-time additional hours will be included in pensionable pay. Please note, at the point of paperwork being submitted for an estimate, an earnings statement will only reflect additional hours paid at that point

OTHER INFORMATION

Can someone who has left under VS return to work for the Council?

An employee who leaves the Council under Voluntary Severance will not normally be re-engaged by Perth & Kinross Council. If, in exceptional circumstances they are re-engaged, restrictions may apply.

Can someone apply for Flexible Retirement as part of the Voluntary Severance Scheme?

No, but employees who are eligible to apply for Flexible Retirement can still do so using the normal procedure.

What happens if I increase/decrease my hours after my VS is approved?

It is essential that you discuss any change in hours, pattern of work, or pay with Human Resources beforehand so that the impact on your VS terms can be fully assessed.

I am currently on secondment – should I speak to my current manager or my substantive manager?

You must speak to your substantive manager regarding your request for VS figures. If your secondment is due to end after your requested retirement date, then you should discuss your request with your current manager as well.

My request has not progressed after the initial assessment or has been declined - what other options are available to me?

If you wish to explore other options to leave the Council or amend your hours of work then please look at the information available under [Employment information](#). Eligibility to participate in these options will be determined by your individual circumstances. If you wish to explore any of these options, please speak to your manager in the first instance.

FURTHER INFORMATION

I need some advice – is there someone in the Council I can talk to?

You are encouraged to take independent financial advice when making decisions about voluntary severance. A list of financial advisers can be found on the website www.unbiased.co.uk. Please note that the terms currently available may be influenced by changes in legislation, HMRC (tax) rules or Council policy.

Where can I find further information and details on the Scheme?

All information on the Voluntary Severance Scheme can be found on [our website](#). General enquiries should be emailed to vss@pkc.gov.uk.

Where do I send my request?

Once you have discussed your request with your manager, form VS1 should be emailed to vss@pkc.gov.uk.

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