

# Redundancy Payments Policy



## Contents

|  |   |
|--|---|
| Redundancy Payments Policy .....                               | 3 |
| Compulsory Redundancy .....                                    | 3 |
| Voluntary Redundancy.....                                      | 4 |
| The effect of the Redundancy Payments Modification Order ..... | 4 |
| Pension Implications .....                                     | 4 |
| Local Government Pension Scheme (LGPS) .....                   | 5 |
| Teachers Pension Scheme (TPS) .....                            | 5 |
| Potential employment related claims .....                      | 5 |
| Forfeiture.....  | 5 |

*This policy does not form part of individual employees' contracts of employment and may be amended by the university from time to time.*

## 1 Redundancy Payments Policy

1.1 Employees who are dismissed on the grounds of redundancy and who have the necessary statutory continuous service at the date of termination of their employment (currently two years but subject to change in accordance with the legislation in force at the point of termination) are entitled to be paid statutory redundancy pay. Statutory redundancy pay is calculated according to the individual employee's age, length of service and gross weekly pay (subject to the statutory upper limit on a week's pay<sup>1</sup>).

In addition to a statutory redundancy payment, the university will offer an enhanced redundancy payment that is based on the statutory redundancy payment calculation. An enhanced redundancy payment will apply to employees who:

- are entitled to receive a statutory redundancy payment; or
- are entitled to receive a statutory redundancy payment and have voluntarily agreed to the termination of their employment where, had they been dismissed, the dismissal would have been by reason of redundancy.

1.2 Redundancy payments paid by the university will therefore comprise:

- the "Required Element": which is the statutory redundancy payment; and
- the "Enhanced Element": which provides for an enhanced redundancy payment.

1.3 The university may, at its discretion, and in exceptional circumstances, consider making a compensation payment for loss of employment in situations where the employee is not entitled to a statutory redundancy payment. Any such discretionary decision will be subject to a business case, approved by the Director of People and Organisational Development. Payments will not be more than the amount the employee would have received if they had been eligible to receive a statutory redundancy payment (and where appropriate an Enhanced Element) in accordance with this policy.

## 2 Compulsory Redundancy

2.1 Where an employee is made redundant and the employee is entitled to a redundancy payment, the Enhanced Element operates as follows:

- The university will disregard the statutory upper pay limit<sup>1</sup> when calculating a week's pay for the purposes of the statutory redundancy payment. This means that the employee's actual week's gross pay will be used for this purpose.

2.2 The statutory maximum of 20 years of service applies meaning a maximum of 30 weeks' pay will be awarded on redundancy. See [Ready Reckoner](#).

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<sup>1</sup> £479 from 6 April 2016

### 3 **Voluntary Redundancy**

- 3.1 Where employees have voluntarily agreed to the termination of their employment in cases where, had they been dismissed, the dismissal would have been by reason of redundancy, the university will apply, at its sole discretion, the following further enhancement (the “Voluntary Discretionary Element”) in addition to the enhancement described under paragraph 2.1 above:
- The statutory number of weeks’ pay due under the statutory redundancy scheme will be multiplied by a factor of two (ie it will be doubled) subject to 3.2 below.
- 3.2 The statutory maximum of 20 years of service applies meaning a maximum of 60 weeks' pay will be awarded on voluntary redundancy. See [Ready Reckoner](#).
- 3.3 This is a considerable discretionary enhancement which is subject to 5.2 and 5.7 below and which will be kept under regular review.

### 4 **The effect of the Redundancy Payments Modification Order**

- 4.1 If an employee has previous continuous service with an organisation covered by the Redundancy Payments Modification Order (RPMO) this service may be taken into account for redundancy payment purposes ie for the purposes of calculating the payment and for computing minimum qualifying service for entitlement to a statutory redundancy payment.
- 4.2 Previous continuous service with an organisation covered by the RPMO may not be used for redundancy payment purposes if the employee has previously received a statutory redundancy payment in respect of the same period of service.
- 4.3 If an employee who is under notice of redundancy receives an offer of a job from another Modification Order body before the termination of his or her employment and takes it up within four weeks of the end of the old employment, there will be no dismissal for redundancy payment purposes and the employee will not be entitled to a redundancy payment.
- 4.4 As a condition of receiving a statutory or enhanced redundancy payment with the university, employees will be required to confirm in writing that they have not previously received a payment under the RPMO in respect of the same period of continuous service and that they have not accepted an offer of alternative employment with another RPMO employer to commence within four weeks of the termination of their employment with the university.
- 4.5 Receipt of a redundancy payment will break an employee’s continuity of service for redundancy pay purposes but not necessarily for other purposes. Further advice should be sought from Human Resources if an employee has any queries regarding their personal situation.

### 5 **Pension Implications**

- 5.1 The rules of the relevant pension scheme will apply when considering access to pension.

## **Local Government Pension Scheme (LGPS)**

- 5.2 Where an employee is to be made redundant (voluntary or compulsory) and the employee is aged 55 or over they will be entitled to and must take the immediate unreduced payment of their LGPS benefits built up to their date of termination of employment. Where this applies, the Voluntary Discretionary Element will be offset by the pension strain cost to the university of the employee's early access to pension.
- 5.3 If an employee is made redundant before age 55, their pension benefits will be deferred in accordance with the rules of the pension scheme.

## **Teachers Pension Scheme (TPS)**

- 5.6 Employees who are members of the TPS may apply for premature retirement terms if they are made redundant (voluntary or compulsory) and are aged 55 or over. Applications will be considered on a case by case basis and any decision to grant premature retirement is made entirely at the university's discretion irrespective of whether or not premature retirement has been granted to other employees on previous occasions.
- 5.7 If the university agrees to fund premature retirement, the Voluntary Discretionary Element will be offset by the cost to the university of funding premature retirement terms.

## **6 Potential employment related claims**

A condition of the university paying the Enhanced Element and/or the Voluntary Discretionary Element will be that the employee may be required to sign a settlement agreement under the Employment Rights Act 1996, by which the employee will agree not to pursue any legal claims, including but not limited to unfair dismissal claims, against the university. Where an employee refuses to enter into such an agreement, the employee will be entitled only to the statutory minimum redundancy payment.

## **7 Forfeiture**

Where an employee unreasonably rejects an offer of suitable alternative employment with the university they will forfeit their entitlement to a statutory and an enhanced redundancy payment.

Statutory redundancy pay table (ready reckoner)

| Age | Service (Years) |    |    |    |    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
|-----|-----------------|----|----|----|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
|     | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 9   | 10  | 11  | 12  | 13  | 14  | 15  | 16  | 17  | 18  | 19  | 20  |  |
| 17* | 1               |    |    |    |    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
| 18  | 1               | 1½ |    |    |    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
| 19  | 1               | 1½ | 2  |    |    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
| 20  | 1               | 1½ | 2  | 2½ | -  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
| 21  | 1               | 1½ | 2  | 2½ | 3  | -   |     |     |     |     |     |     |     |     |     |     |     |     |     |  |
| 22  | 1               | 1½ | 2  | 2½ | 3  | 3½  | -   |     |     |     |     |     |     |     |     |     |     |     |     |  |
| 23  | 1½              | 2  | 2½ | 3  | 3½ | 4   | 4½  | -   |     |     |     |     |     |     |     |     |     |     |     |  |
| 24  | 2               | 2½ | 3  | 3½ | 4  | 4½  | 5   | 5½  | -   |     |     |     |     |     |     |     |     |     |     |  |
| 25  | 2               | 3  | 3½ | 4  | 4½ | 5   | 5½  | 6   | 6½  | -   |     |     |     |     |     |     |     |     |     |  |
| 26  | 2               | 3  | 4  | 4½ | 5  | 5½  | 6   | 6½  | 7   | 7½  | -   |     |     |     |     |     |     |     |     |  |
| 27  | 2               | 3  | 4  | 5  | 5½ | 6   | 6½  | 7   | 7½  | 8   | 8½  | -   |     |     |     |     |     |     |     |  |
| 28  | 2               | 3  | 4  | 5  | 6  | 6½  | 7   | 7½  | 8   | 8½  | 9   | 9½  | -   |     |     |     |     |     |     |  |
| 29  | 2               | 3  | 4  | 5  | 6  | 7   | 7½  | 8   | 8½  | 9   | 9½  | 10  | 10½ | -   |     |     |     |     |     |  |
| 30  | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 8½  | 9   | 9½  | 10  | 10½ | 11  | 11½ | -   |     |     |     |     |  |
| 31  | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 9   | 9½  | 10  | 10½ | 11  | 11½ | 12  | 12½ | -   |     |     |     |  |
| 32  | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 9   | 10  | 10½ | 11  | 11½ | 12  | 12½ | 13  | 13½ | -   |     |     |  |
| 33  | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 9   | 10  | 11  | 11½ | 12  | 12½ | 13  | 13½ | 14  | 14½ | -   |     |  |
| 34  | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 9   | 10  | 11  | 12  | 12½ | 13  | 13½ | 14  | 14½ | 15  | 15½ | -   |  |
| 35  | 2               | 3  | 4  | 5  | 6  | 7   | 8   | 9   | 10  | 11  | 12  | 13  | 13½ | 14  | 14½ | 15  | 15½ | 16  | 16½ |  |
| 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  |  |