

# Pay Policy Statement 2023/24

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## Purpose

As a responsible employer Charnwood Borough Council is committed to delivering a fair, equitable and transparent policy covering pay and other employee benefits which improves flexibility in delivering services and provides value for money.

Within the framework of its terms and conditions of employment, the Council aims to develop and maintain appropriate pay systems and benefit packages to attract and retain motivated, flexible people who take responsibility, work as a team, improve performance and acquire new skills.

This Pay Policy Statement sets out the Council’s policies relating to the pay of its workforce for the period from 1 April 2023 to 31 March 2024, in particular the:

- Remuneration of Chief Officers;
- Remuneration of the lowest paid employees;
- Relationship between the remuneration of chief officers and employees who are not chief officers.

The statement meets the Council's obligations under the Localism Act 2011 and will enable the elected members of the Council to make decisions on pay.

The Council's Pay Policy Statement will be agreed by Full Council before the beginning of each financial year and will then be published on Charnwood Borough Council's website. The statement may also be amended by Full Council during the course of the year if necessary.

## Scope

This statement applies to all employees of Charnwood Borough Council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services (Green Book);
- Joint Negotiating Committee for Chief Officers of Local Authorities;
- Joint Negotiating Committee for Local Authority Chief Executives;
- Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book) for craftworker apprentices only.

Employees who have TUPE transferred across from other organisations will remain on their existing terms and conditions unless agreed otherwise.

## Definitions

For the purposes of this Pay Policy Statement the following definitions will apply:

### Remuneration

This includes three elements:

- Basic salary;
- Pension;
- Any other allowances arising from employment.

### Chief Officers

Under the Localism Act 2011 a Chief Officer is defined as:

- The head of the Council's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- Its monitoring officer designated under section 5(1) of that Act;
- A statutory chief officer mentioned in section 2(6) of that Act;
- A non-statutory chief officer mentioned in section 2(7) of that Act;
- A deputy chief officer mentioned in section 2(8) of that Act.

In Charnwood Borough Council this definition would apply to the posts set out in [Appendix A](#).

## Lowest Paid Employees

The Council currently employ apprentices who are paid at the applicable apprenticeship rate. Additionally, Joint Negotiating Committee for Craft and Associated Employees (Red Book) apprentices are paid in accordance with the requirements of that agreement.

For all other posts, this refers to employees on Grade A, Pay Point 1. This definition has been adopted as it is the lowest level of remuneration attached to a post within the Council, other than apprenticeship posts.

On 1 April 2013 the Council adopted the Living Wage rate applicable at that time. It was agreed that all pay awards after this date for all spinal column points within the Council, would be in line with the applicable percentage increase of the national pay agreement for local government.

## Pay and Grading Structure

The Chief Executive's salary scale has been updated with effect from 1<sup>st</sup> August 2019 in line with recommendations from the Personnel Committee following a benchmarking exercise conducted by the East Midlands Council. This post sits at the highest level within the officer salary grade and does not have a comparator. As such it is for the Council to determine the salary arrangements for the post without needing to go through a specific job evaluation process.

The grading of all other posts within Charnwood Borough Council is determined using the nationally recognised Hay Job Evaluation Scheme. This is in order to ensure that all posts are graded and therefore rewarded financially through a fair and non-discriminatory process, that there is consistency in treatment between posts and that the Council complies with equal pay legislation. The scheme is an analytical one that takes into consideration three key elements of a post:

- Know How - the levels of knowledge, skill and experience (gained through work experience, education and training) which are required to perform the job successfully;
- Problem Solving - the complexity of thinking required to perform the job when applying Know How;
- Accountability - the impact the job has on the organisation and the constraints the job holder has on acting independently.

The Council follows the NJC national agreement on pay and conditions of service (the Green Book) which includes the use of national pay scales. Advice was taken from Hay during the implementation of the job evaluation scheme in order to determine the relationship between the scoring of posts under the scheme and the relevant pay grade.

However a small number of staff employed under the Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book) are paid on a different pay scale, a copy of which is attached at [Appendix B](#).

Basic pay is paid in accordance with the evaluated grade of the post. Each grade comprises a range of scale points. A copy of the Council's pay and grading structure is attached at [Appendix B](#).

Agreement has been reached for the national pay awards from 1 April 2022 to 31 March 2023 for Chief Executives and Chief Officers and National Joint Council for Local Government Services Employees (those on Green Book conditions) and Craftworkers (apprentices).

Employees in post when a pay award is due but who subsequently leave the Council before it is implemented are entitled to receive the difference in pay. To claim the backdating from their date of leaving they must contact the Payroll Section.

A copy of the Council's organisation chart, showing grades of posts, can be found on the [Council's website](#).

Details of senior management remuneration are published annually in the [Council's Statement of Accounts](#) which are available on the website.

The 'pay multiple' - the ratio between the highest paid salary (Chief Exec scale - points CEX 1 to CEX 4) and the median average salary of the Council's workforce is 5.86.

## Remuneration on Appointment

All employees are usually appointed to the minimum scale point applicable to the grade of the post. Managers have discretion in some circumstances to appoint to a higher scale point, subject to the maximum of the grade.

Full Council will be given the opportunity to consider remuneration packages over £100,000 per annum (including salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment) before new posts are established and advertised.

## Market Premia

There is provision for the award of a market premium (i.e. a temporary additional payment) where it can be shown that the salary level of a job is having an adverse impact on the Council's ability to recruit and retain the appropriate calibre of employee into a post. The award of a market premium is subject to the agreement of the relevant Strategic Director. If approved, market premia are awarded for a maximum period of three years. It is anticipated that market premia will be awarded on very limited occasions. Details of the scheme can be found in the Council's Market Premia Policy and Procedure.

## Incremental Progression

### Chief Officers

Progression through the pay grade for Chief Officers is dependent on them achieving set criteria and objectives which are agreed at the officer's annual Performance Development Review. Progression through the Chief Executive's grades will be dependent on an annual performance review if not appointed at the top grade, as with other chief officers.

### Other Employees

Subject to satisfactory service, employees covered by the conditions of service of the National Joint Council for Local Government Services and the Joint Negotiating Committee for Local Authority Craft and Associated Employees are eligible to receive annual increments on 1<sup>st</sup> April each year until they reach the maximum scale point for the grade of their job. If the employee's start date is between 1<sup>st</sup> October and 31<sup>st</sup> March then their first increment will be paid after completing 6 months in post. Any subsequent increments, until the maximum of the grade is reached, will be paid on 1<sup>st</sup> April thereafter.

The Joint Negotiating Committee for Local Authority Craft and Associated Employees operates a system of progression through the grade, which is subject to performance related criteria.

## Enhancements

From 1 January 2014 the Council agreed a change in rate of enhancement for evening, weekend and bank holiday working for employees at Grade E and below. Employees required to work on Saturdays, Sundays and Bank Holidays as part of their normal working week will be recompensed at time and a quarter for evenings and Saturdays, and time and a half for Sundays and Bank Holidays.

## Overtime Payments

'Overtime' is defined as hours worked in excess of 37 per week. However, part-time employees are entitled to the additional hours enhancements in circumstances in which full-time employees in the establishment would qualify. Employees in posts graded up to Grade E who work additional hours are eligible to receive payment at double time rate for hours worked on Sundays, bank holidays or extra statutory days and time and a half for hours worked at any other time.

Employees in posts graded SO1 and above, who work additional hours are not eligible for enhanced payment.

Heads of Service are also authorised to make payments, within existing budgets, for overtime to employees graded SO1 to PO4 for time limited projects of a non-repetitive nature as follows:

- (a) Plain time up to an agreed maximum number of hours for a particular project and over a certain number of weeks/months; or
- (b) A lump sum to cover completion of a particular project by an agreed deadline.

Where the payment of a lump sum is agreed in accordance with (b) above, it should not be made in full unless the project is completed by the due date and that provision for claw back considered for inclusion in the scheme. Payments for overtime cannot be authorised retrospectively.

## Overtime and Additional Hours Holiday Pay

Claims for overtime or additional hours (for part time employees) will receive an appropriate uplift rate for the hours worked. This increase is calculated on the relevant hourly flat rate.

Example – if you work for 2 hours overtime @ time plus ½ you will receive 3 hours pay. The appropriate uplift rate will be added to 2 hours of that pay only as the flat rate element of pay.

Additional hours which have been agreed on a temporary basis as a variation to contract will not attract this uplift. The annual leave entitlement will be increased for the period that an employee works these additional hours.

## Other Allowances

All Chief Officers receive allowances as detailed in the Conditions of Service of the Joint Negotiating Committee for Chief Officers of Local Authorities and the Joint Negotiating Committee for Local Authority Chief Executives. However, where these conditions are silent or do not cover an allowance or process, the Chief Officer / Chief Executive will receive the same as those employees covered by the National Joint Council for Local Government Services.

Copies of the conditions of service for all employees covered by this statement can be requested from the [Local Government Employers website](#).

### Essential Car User

Posts that are designated as essential car user, including those of Chief Officers, receive a monthly allowance and are eligible to claim mileage allowances as per the NJC Conditions of Service.

### Professional Fees

The Council will pay the annual fee for membership of a professional body if it is considered an essential requirement of the employee's post.

### First Aid Allowances

Employees who are classified as a 'designated first-aider' are eligible to receive an allowance.

### **Standby and Call-Out Payments**

Employees who are required to provide out of hours responsibilities or work for essential services that they undertake are eligible to receive a standby and call out, standby and advisory or emergency contact scheme payment. Employees graded at PO1 or above will not normally receive payment, unless there is a requirement for them to participate in a formal regular Standby and Call Out or Standby and Advisory Scheme arrangement. Those graded at JNC A or above are expected to respond as part of their role and will not receive any additional payments. Details of the scheme can be found in the Council's Policy for Standby and Call-Out, Standby and Advisory, and Emergency Contact Scheme Policy and Procedure.

### **Emergency Planning**

Employees who volunteer to respond in emergency situations are eligible to receive a payment.

### **Subsistence**

Employees who are eligible to claim subsistence do so in accordance with the rate agreed locally for subsistence.

## **Bonus Payments**

The Council does not pay any group of employees a bonus.

## **Pension Benefits**

All employees under the age of 75 are eligible to join the Local Government Pension Scheme. The scheme is a statutory scheme with contributions from employees and employers. Details of the scheme can be found on [www.leics.gov.uk/pensions](http://www.leics.gov.uk/pensions).

The scheme allows for the exercise of discretion by employers. A copy of the Council's approach to these discretionary regulations can be found at [Appendix C](#). The Council will consider each case on its merits, but has determined that its usual policy is not to enhance benefits for any of its employees.

The scheme provides for flexible retirement. To be eligible to request flexible retirement, the Council normally requires that an employee either reduce their working hours by a minimum of 40% and/or be appointed to a post on a lower grade. In applying this provision no distinction is made between employees.

Under the Local Government Pension Scheme there is no abatement (i.e. reduction or suspension) of pensions for employees who return to work after drawing their pensions except in the circumstance where they have previously been awarded "added years".

## **Honoraria**

Subject to certain conditions, employees who are temporarily required to undertake some or all of the duties of a higher graded post are eligible to be paid an honorarium. Details of the scheme can be found in the Council's Honoraria and Acting-Up Policy and Procedure.

## Salary Protection

Employees are eligible to receive salary protection for a period of up to three years if they are redeployed into a lower-graded post. Details of the provisions can be found in the Council's Organisational Change Policy and Procedure.

## Severance Payments

### **Early Retirement (Efficiency of Service)**

The Council has discretionary provisions for employees to seek early retirement on the grounds of efficiency of service. Details of the scheme can be found in the Council's Retirement Policy and Procedure.

### **Redundancy**

The Council has a single redundancy scheme which applies to all employees. Redundancy payments are calculated in accordance with the Employment Rights Act 1996 and the 2006 Discretionary Compensation Regulations and are based on the employee's age, length of continuous local government service and salary. The payment mirrors the statutory table but provides a multiplier of 2. Details of the redundancy scheme can be found in the Council's Organisational Change Policy and Procedure.

Employees have the option of using their redundancy payment, in excess of the statutory redundancy payment, to purchase a period of membership in the Local Government Pension Scheme. The amount of membership purchased by the cash sum will vary depending on the age of the employee and the number of years' service.

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of accrued annual leave.

Employees who have TUPE transferred into the Council on redundancy terms which are more favourable than those details above will retain these provisions as per TUPE legislation.

### **Severance Packages**

Full Council have the opportunity to vote on severance packages over £100,000 before they are approved. The information presented will clearly set out the components of the severance package (e.g. salary paid in lieu, redundancy compensations, pension entitlements, holiday pay and any bonuses, fees or allowances paid).



## **Special Severance Payments**

Special severance payments (additional, discretionary sums paid on top of statutory, contractual or other requirements) of £100,000 and above must be approved by a vote of full council.

Special severance payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment.

Special severance payments below £20,000 must be approved according to the Council's scheme of delegation as detailed in the Council's Special Severance Payments Policy.

## **Re-Engagement of Employees**

Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the Council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post. Any necessary adjustments to pension would be made in accordance with the scheme regulations.

Employees who are offered another post with the Council, or another employer covered by the Redundancy Modifications Order, prior to their redundancy leaving date and commence this post within 4 weeks of that date are not eligible to receive their redundancy payment.

## **Election Duties**

The Chief Executive receives additional payments as the Returning Officer (or equivalent) for elections taking place within the Borough, to which role he has been appointed by the Council. These payments are funded by the organisation responsible for each election, which can include the Borough Council, County Council, Parish and Town Councils, and the Government.

Election fees and expenses for Borough, Town and Parish Council elections are agreed annually by Full Council. For other elections, the scale of fees and expenses is specified by the relevant organisation.

The Chief Executive may also, on appropriate occasions, require officers, which may include Chief Officers, to undertake Deputy Returning Officer roles and other election duties. They will be remunerated for undertaking these roles.

## **Publication and Access to Information**

This Pay Policy Statement will be published on the Council's website, together with the Council's pay and grading structure and information relating to senior management remuneration.

## Appendix A - Charnwood Borough Council's Chief Officers

<u>POST TITLE</u>
Chief Executive
<b>Finance, Governance and Contracts</b>
Director – Finance, Governance and Contracts (S151)
Head of Finance
Head of Governance and Human Resources
Head of Contracts: Leisure, Waste and Environment
<b>Housing and Wellbeing</b>
Director – Housing and Wellbeing
Head of Strategic Housing
<b>Customer Experience</b>
Director – Customer Experience
Head of Regulatory and Community Safety
Head of Planning and Growth
<b>Commercial and Economic Development</b>
Director – Commercial and Economic Development
Head of Economic Development and Regeneration
Head of Assets and Property

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# Appendix B - Pay and Grading Structure

Annual Salaries from 1 April 2022

Grade	SCP	Annual Salary
A	1	20258
	2	20441
	3	20812
B	4	21189
	5	21575
	6	21968
	7	22369
C	8	22777
	9	23194
	10	23620
	11	24054
D	12	24496
	13	24948
	14	25409
	15	25878
	16	26357
E	17	26845
	18	27344
	19	27852
	20	28371
	21	28900
SO1	22	29439
	23	30151
	24	31099
SO2	25	32020
	26	32909
	27	33820
PO1	28	34723
	29	35411
	30	36298
	31	37261
PO2	32	38296
	33	39493
	34	40478
	35	41496

Grade	SCP	Annual Salary
JNC A	50	51578
	51	52856
	52	54121
	53	55400
JNC B	54	56676
	55	57942
	56	59345
	57	60738
JNC C	58	63062
	59	64442
	60	65839
	61	67221
JNC D	62	72141
	63	73892
	64	75649
	65	77405
JNC E	66	79155
	67	80933
	68	82231
	69	84491
Chief Executive	CEX1	132290
	CEX2	137504
	CEX3	142719
	CEX4	147933
Skills Group 1	17	26845
	20	28371
	25	32020
Skills Group 2	17	26845
	19	27852
	22	29439
Skills Group 3	14	25409
	15	25878
	20	28371

	36	42503
PO3	37	43516
	38	44539
	39	45495
	40	46549
PO4	41	47573
	42	48587
	43	49590

Skills Group 4	7	22369
	8	22777
	9	23194

Levels of Apprenticeship	NJC Salary	
Intermediate	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Appropriate NMW age rate for those aged 21 and above
Advanced	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Appropriate NMW age rate for those aged 21 and above
Higher	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Spinal column points 1 – 4 (Grade A scp 1 – 3 and Grade B scp 4) with annual incremental progression
Degree	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Spinal Column points 4 – 7 (Grade B) with annual incremental progression

The rates for Apprentices appointed under the Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book) are in accordance with that agreement.

## **Local Government Pension Scheme (LGPS) Regulations Policy Statement on all Eligible Employees**

Under Regulation 60 of the LGPS Regulations 2013, (as amended), each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations.

This statement is applicable to all employees of Charnwood Borough Council who are eligible to be members of the LGPS.

The Council is required to publish the following five policies.

### **LGPS Regulations – Regulation 31: Power of employer to award additional pension**

#### **Explanation and Employer's Policy**

An employer may resolve to award a member additional pension of not more than £6,500 (figure as at 1 April 2014) a year within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.

The Council will not normally agree to award an additional pension under this regulation

### **LGPS Regulations 2013 – Regulation 16(2)(e) and 16(4)(d) : Funding of additional pension contributions (shared cost)**

#### **Explanation and Employer's Policy**

An active member in the main section of the scheme who is paying contributions may enter into arrangements to pay additional pension contributions (APCs) by regular contributions of a lump sum.

Such costs may be funded in whole or in part by the member's Scheme employer.

The employer will need to determine a policy on whether it will make a contribution towards the purchase of extra pension.

This does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work to pay a shared cost APC to cover the amount of pension "lost" during that period of absence. In these cases the employer MUST contribute 2/3rds of the cost (Regulation 15(5) of the LGPS Regulations 2013.

The Council has not adopted this discretion.

### **LGPS Regulations 2013 – Regulation 30 (6):Flexible Retirement**

#### **Explanation and Employer's Policy**

An active member who has attained the age of 55 or over who reduces working hours or grade of an employment may, with the Scheme employer's consent, elect to receive

immediate payment of all or part of the retirement pension to which that member would be entitled in respect of that employment if that member were not an employee in local government service on the date of the reduction in hours or grade, adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.

The Council has agreed to release pension where there is no costs and not to waive any reduction.

Members must reduce their hours by a minimum of 40% and/or reduce their grade.

The Council may however allow the release of pension where there is a cost or waive reduction in a potential redundancy situation, where a reduction may occur through redeployment, or in other exceptional circumstances supported by a business case.

**LGPS Regulations 2013 – Regulation (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Switching on rule of 85**

**Explanation and Employer's Policy**

A member who has not attained normal pension age but who has attained the age of 55 or over, may elect to receive immediate payment of a retirement pension in relation to an employment if that member is not an employee in local government service in that employment, reduced by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.

In these circumstances (other than flexible retirement) the 85 year rule does not automatically apply to members who would otherwise be subject to it who choose to voluntarily draw their benefits on or after age 55 and before NPA.

The employer has the discretion to "switch on" the 85 year rule for such member (paragraph 1 (1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

If the employer does agree to switch back on the rule of 85, the cost of any strain on the fund resulting from the payment of benefits before age NPA would have to be met by the employer.

The Council will not apply either discretion.

**LGPS Regulations 2013 – Regulation (paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Waiving of actuarial reduction**

An employer has the discretion, under a number of retirement scenarios, to waive actuarial reductions on compassionate grounds. The cost of which would fall upon the employer. "Compassionate grounds" is not defined in the regulations.

The Council will not apply this discretion, unless there are exceptional circumstances.

The Personnel Committee and the Director involved will consider any cases and will decide whether the actuarial reductions should be waived. In all cases the financial

position of the Charnwood Borough Council must be considered.

Under Regulation 66 of the LGPS Administration Regulations 2008, (as amended), each scheme employer must publish and keep under review a statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations.

### **LGPS Benefits Regulations - Regulation 30: Early payment of retirement benefits at the member, or former members request**

#### **Explanation & Employer's Policy**

A scheme member or former member can request that the Employer grant early retirement between 55 & 60 years old.

It is possible that, where a member's pension is introduced early, these benefits will be reduced. The reduction is calculated in accordance with guidance issued by the Government Actuary. As an employer you may determine not to apply any reduction.

The Council will not consider the premature retirement of an employee except on compassionate grounds. To qualify for consideration, an employee must be entitled to a pension under the LGPS. The Council will not consent to a request for early retirement where capital costs are applicable unless there are exceptional circumstances. The Council will, in principle, consider a request for early retirement as an application of early retirement arising from redundancy where the request would result in the same cost, a lower cost, or nil cost to the Council. In all cases, early retirement will only be considered when supported by a justifiable business case.

### **LGPS Benefits Regulations - Regulation 18: Requirements as to time of payment (Flexible Retirement)**

#### **Explanation & Employer's Policy**

A member who is 55 or over, and with their employer's consent, reduces their hours and/or grade can, but only with the agreement of the employer, make an election to the administering authority for payment of their accrued benefits without having retired from employment. It is possible that, where a member's pension is introduced early, these benefits may be reduced. The reduction is calculated in accordance with guidance issued by the Government Actuary. As an employer you may determine not to apply any reduction.

Whilst a request which result in a cost to the Council will generally not be approved there may be instances where granting flexible retirement will enable departments to review their requirements, e.g. succession planning, managerial or specialist skills development, or ultimately achieve other efficiency savings through staff movement/structure changes etc. That is to say, there must be a significant organisational benefit to the Council.

In considering any request for flexible retirement the following business reasons are to be taken into account:

- Cost to the Council in releasing the scheme member's pension
- Requirement/ability to recruit to the vacated hours or grade
- Additional costs as a result of recruitment/training to the vacated hours or grade



- Capacity to re-allocate work amongst co-workers
- Impact on service delivery and work performance
- Suitability of individual's proposed working arrangements, i.e. days, hours etc.

This scheme will not apply where there are formal conduct or performance issues and the appropriate procedures should be invoked in those circumstances.

**LGPS Administration Regulations – Regulation 25 (3) and LGPS Benefits Regulations – Regulation 15 (3): Shared Cost Additional Contribution Facility**

**Explanation & Employer's Policy**

This discretion allows the Employer to maintain and contribute to an employee's Additional Voluntary Contribution Scheme.

The Council has not adopted this discretion. This will not have any effect on the existing AVC facility available where the employee only is able to make such contributions.

**LGPS Benefits Regulations - Regulation 12: Augmentation (increase of scheme membership)**

**Explanation & Employer's Policy**

An employer may resolve to increase the total membership of an active member.

The Council has not adopted this discretion. This decision does not affect the discretion available to the employer to allow a scheme member to convert a lump sum discretionary payment using the augmentation factors. (See Early Termination of Employment Discretionary Compensation).

**LGPS Benefits Regulations - Regulation 13: Power of employer to award additional pension**

**Explanation & Employer's Policy**

An employer may resolve to award a member additional pension of not more than £5000 a year payable from the same date as his pension payable under any other provisions of these Regulations. Additional pension may be paid in addition to any increase of total membership resolved to be made under regulation 12.

The Council has not adopted this discretion.

**The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006**

New provisions provide local government employers with the powers to consider making a one off lump sum payment to an employee which must not exceed 104 week's pay. The regulations no longer provide for the award of compensatory added years.

This statement is applicable to all employees of Charnwood Borough Council who are eligible to be members of the LGPS.

## **Regulation 5: Power to increase statutory redundancy payments**

### **Explanation & Employer's Policy**

The Employer may decide to calculate a redundancy payment entitlement as if there had been no limit on the amount of a week's pay used in the calculation.

The Council has decided to adopt this discretion and base redundancy payment calculations on an unrestricted week's pay.

## **Regulation 6: Discretionary Compensation**

### **Explanation & Employer's Policy**

A "one off" lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks' pay, inclusive of any redundancy payment made. If the above Regulation is adopted, employees who are members of the LGPS can be given the option of converting compensation payments, (less the statutory redundancy payment), into additional pensionable service, in accordance with the augmentation factors provided by the authority. An employer should specify whether they intend to provide this option.

Employees who have been continually employed for two years or more by members of the modification order will receive a redundancy payment. The payment is based on the statutory formula with a multiplier X 2 applied. The maximum number of weeks an individual can receive is 60 weeks. Employees have the option of using their redundancy payment, in excess of the statutory redundancy payment, to purchase a period of membership in the LGPS.