**FAQs for employees – Voluntary Severance/Early Retirement (VS/ER)**

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| **1** | **Why is the Council inviting expressions of interest in VS/ER?** | We want to improve on our customers’ experience of the Council, staff experience and effective use of resources. In order to achieve this aim, especially when funding pressures are increasing, we need to change the way the Council works. Making changes will help us meet the growing needs of our residents and communities, and to secure an affordable and sustainable organisation for the future. Specific changes will be considered in more detail over the next three years but we know now that we are likely to need fewer employees. The Council’s view is that considering ‘expressions of interest’ in VS/ER under the existing VS/ER policy is a fair way to proceed. |
| **2** | **Am I at risk of compulsory redundancy?** | No. At this stage we are simply inviting ‘expressions of interest’ in VS/ER. Both of these schemes work on the basis of an employee choosing to leave the Council’s employment early and on a purely voluntary basis. |
| **3** | **Has the Council considered other options that don’t involve people leaving?** | Yes, we are also considering other ways of supporting change for example deleting vacant posts. Given the likely scale of change, we still think it is appropriate to invite ‘expressions of interest’ in Voluntary Severance/Early Retirement.  |
| **4** | **What is the difference between ‘Voluntary Severance’ and ‘Early Retirement’?** **Non-teaching employees** | **Voluntary Severance**Employees will receive a one-off lump sum of voluntary severance payment on termination of their employment. VS will apply for employees who are under 50 or who joined the Local Government Pension Scheme after 2006 and are under 55.**Early Retirement**Employees will receive a one-off lump sum of voluntary redundancy payment plus gain immediate access to their pension benefits on termination of their employment. Early Retirement will apply at age 50 if an employee was in the Local Government Pension Scheme prior to 2006 and at age 55 if they were in the scheme after 2006. For those employees who have been members of the LGPS for less than 2 years they will receive a refund of pension contributions. |
| **5** | **What is the difference between ‘Voluntary Severance’ and ‘Early Retirement’? Employees under SNCT conditions (including teachers)** | **Voluntary Severance**Employees will receive a one-off lump sum of voluntary severance payment on termination of their employment. VS will apply for employees who are under 50 or under 55 if they joined the scheme after 31 March 2009.**Early Retirement**Employees will receive a one-off lump sum of **Voluntary Redundancy Payment** (this option only applies to members of the STSS). Where an employee in the STSS qualifies under the pension regulations for early retirement (i.e. Pension Scheme Member aged 55 and over or aged 50 and over for any existing members on 31 March 2009) they will gain immediate access their pension benefits with actuarial reduction with the consent of the employer.Normally, those employees who are members of STSS and do not qualify for access to their pension benefits can receive a refund of their contributions. The regulations and amendments that apply to the STSS members can be viewed on the Scottish Public Pension Agency web-site at [www.sppa.gov.uk/scot\_teachers](http://www.sppa.gov.uk/scot_teachers)Both schemes will include any statutory redundancy payment for which the employee would qualify. |
| **5** | **Am I eligible for voluntary severance or early retirement? Non-teaching employees** |

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| **Voluntary Severance** | **Early Retirement** |
| * Those employees of the Council with at least two years’ continuous service.
* Must be leaving the council prematurely on grounds of redundancy.
 | * Those employees of the Council with at least two years’ continuous service.
* Those employees who are members of the Scottish teachers’ superannuation scheme (STSS).
* Members of STSS aged 55 or over
* Must be able to access pension benefits under STSS pension regulations
* Must be leaving the council prematurely on grounds of redundancy.
* The regulations and amendments that apply to the STSS members can be viewed on the Scottish Public Pension Agency web-site at [www.sppa.gov.uk/scot\_teachers](http://www.sppa.gov.uk/scot_teachers)
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| **6** | **Am I eligible for voluntary severance or early retirement? Employees on SNCT terms and conditions (including teachers)** |

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| **Voluntary Severance** | **Early Retirement** |
| * Those employees of the Council with at least two years’ continuous service.
* Must be leaving the council prematurely on grounds of redundancy.
 | * Those employees of the Council with at least two years’ continuous service.
* Those employees who are members of the Scottish teachers supperannuation scheme (STSS) with a minimum of 2 years in the STSS pension scheme.
* Members of STSS aged 55 and over OR aged 50 and over for any existing members on 31 March 2009
* Must be able to access pension benefits under STSS pension regulations
* Must be leaving the council prematurely on grounds of redundancy.
* The regulations and amendments that apply to the STSS members can be viewed on the Scottish Public Pension Agency web-site at www.sppa.gov.uk/scot\_teachers
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| **7** | **Will you consult with me about the VS/ER programme?** | We are consulting collectively with the recognised Trade Unions. You should approach your representative if you would like to raise any points with them. You can also speak with your line manager if you have questions or wish to raise any points for consideration by the Council. In addition you can ask questions and raise points directly with HR by email or telephone, as follows:**Email**: VSER@aberdeencity.gov.uk**Telephone**: 01224 522430 |
| **8** | **How do I express an interest?** | You can apply by completing the VS/ER Expression of interest form and returning it:• via email to: VSER@aberdeencity.gov.uk, or• via post to Human Resources and Customer Service, Corporate Governance, Aberdeen City Council , 4th Floor, Business Hub 18,Marischal College, Broad Street, Aberdeen., AB10 1AB.The application process comprises of the following proposed stages:

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| Step | Action |
| 1 | Letter will be issued inviting employees to ‘express an interest’. **Invitations are open until 24/03/2017.** |
| 2 | Employee expresses an interest in release under the policy (‘Voluntary Severance’ or ‘Early Retirement’) by completing and submitting the expression of interest form. |
| 3 | Employee is issued with an estimate of benefits - wc 17th April and invited to make a formal declaration for release under the scheme. The invitation will be open for a defined period between 17th April and 28th April |
| 4 | Aberdeen City Council considers whether they can support the employee’s release using the criteria set out. Decision is confirmed in writing.  |
| UnsuccessfulIf an application is not supported, this is the end of the process and the following steps 5 and6 do not apply. The employee will be informed of the decision in writing  |
| SuccessfulIf an application is supported, but the service a supporting statement which is then signed off by the relevant Director. |
| 5 | Relevant Committee Convenor, Chief Executive and Head of HR & CS to approve applications  |
| 6 | Aberdeen City Council notifies employee of formal approval and issues notice period. |

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| **9** | **Will I automatically receive an estimate of benefits if I express an interest?** | Where there is a saving under the ‘cost efficiency’ test, the employee will be issued with an estimate of benefits. In cases where there is no cost saving, an estimate of benefits may not be issued.The exception to this is teaching staff. The Education and Children Services directorate will consider all applications before deciding whether to issue a quote to an employee. |
| **10** | **If I receive an estimate of benefits does that mean that I’m definitely being offered the opportunity to leave under the VS/ER Scheme?** | No. Receipt of an estimate does not guarantee that you will be allowed to leave under VS/ER. The estimate gives you information to help you decide if you wish to formally be considered for VS/ER. Services will assess each application and advise whether it has been approved. If successful, you will then need to make a formal declaration to indicate that you wish to be considered for release and steps 5 and 6 set out above will apply. |
| **11** | **Will all applications for VS/ER be approved?** | Employees who choose to apply for release under this programme are not guaranteed to have their application approved. We will consult with the Trade Unions about our approach to approving applications. The proposed assessment criteria are described further in question below. |
| **12** | **What are the assessment criteria for approving applications?** | In relation to the assessment criteria which will guide managerial consideration of individual VS/ER applications, we are consulting with the Trade Unions about this. The following key parameters were approved by CMT in line with the VS/ER policy:* The VS/ER process must not be used as a means to deal with under-performing employees by paying for their exit. There is a specific policy to deal with under-performance and, moreover, successful applications by underperforming employees will contribute to the notion that the Council is somehow 'rewarding' poor performance.
* In order to achieve the targeted level of savings, the posts of those employees successful in their application will require to be disestablished and funding deleted from the budget. Any attempt by services to circumnavigate these requirements may have significant financial consequences.
* The costs of supported VS/ER applications will have to be recouped within a period of 5 years.

In addition', the following are examples of the type of scenario which would provide a legitimate basis for a positive VS/ER assessment:* Where fewer employees are required in the applicant’s work area as service demands have reduced or are likely to reduce.
* Where service transformation proposals will require less staff numbers within the applicant’s area of work (e.g. through the digitisation of some of the tasks concerned)
* Where the service can be made more efficient by re-structuring e.g. where there is evidence of duplication of effort or where the Service could be delayered to improve decision making or service delivery
* Where there are proposals for sharing services – either within the organisation or with partner organisations.

These criteria are not exhaustive and it may be that individual services are able to identify additional criteria specific to their own set of circumstances. |
| **13** | **How much will I receive if I volunteer for voluntary severance?** | A one-off lump sum ‘Voluntary Severance Payment’ will be calculated by using Voluntary Severance ready reckoner within the VS/ER Policy (teaching employees, please refer to VS/ER policy for teachers):1. Firstly, an employee’s age and length of continuous service (completed years) will determine the number of weeks’ pay to which they will be entitled. 2. Secondly, the payment can be calculated by multiplying this by a week’s pay which will be the employee’s basic pay up to the statutory maximum amount of weekly pay which is £489. For employees whose basic pay exceeds the statutory maximum amount of weekly pay, the payment will be the statutory maximum payment PLUS 33% of the difference between the statutory maximum payment and the employee’s basic weekly pay.The voluntary severance payment includes any statutory redundancy payment for which the employee would qualify. |
| **14** | **How much will I receive if I volunteer for early retirement?** | A one off lump sum "Voluntary Redundancy Payment" shall be calculated by using Early Retirement ready reckoner within the VS/ER Policy (teaching employees, please refer to VS/ER policy for teachers):1. Firstly, an employee’s age and length of continuous service (completed years) will determine the number of weeks’ pay to which they will be entitled.2. Secondly, the payment can be calculated by multiplying this by a week’s pay which will be the employee’s basic pay up to the statutory maximum amount of weekly pay of £489. For employees whose basic pay exceeds the statutory maximum payment their payment will be the statutory maximum payment PLUS 33% of the difference between the statutory maximum payment and the employee’s basic weekly pay. |
| **15** | **How accurate will an estimate of benefits be?** | The estimate will be based on a leaving date of ***31st May 2017***. Any leaving date after that may alter the amount depending on birth date and service start date with the Council. |
| **16** | **If offered to leave under the Scheme, how long will I get to make a decision?** | There will be a defined period between ***17th and 28th April*** for responses as detailed in step 5 in the table above |
| **17** | **What will happen to my job if I accept an offer to leave under the scheme?** | It is likely that the post would be deleted from the Council’s establishment. |
| **18** | **If I decline an offer to leave under VS/ER this time is it possible that I’ll get the opportunity in the future?** | An employee may express an interest in early release under VS/ER only once in any rolling 12 month period (except where they are part of an invited group by the employer). However, if you have expressed an interest but not been approved for release in the short term, we may consider whether you could potentially be released at a later date. There will be opportunity to be considered for VS/ER in budget year 18/19 and 19/20 as per the information on the expression of interest form enclosed in the letter sent to all employees on 28th February 2017. |
| **19** | **Are the benefits under the VS/ER scheme expected to change in the future?** | Benefits may change in the future but any change would be subject to consultation with the Trade Unions and Committee Approval. |
| **20** | **What if I have a break in service, will that affect my compensatory benefits?** | The qualifying service for calculating a severance payment is a minimum of 2 years continuous service with an organisation covered by the Redundancy Payments (Continuity of Employment in Local Government, etc.) (modification Orders), which cover local authorities and related bodies. If you have had a break in service your benefits may be affected. You are advised to check your individual situation with the helpline.Continuity will be broken if there is a break in service of more than a week betweentwo contracts. In this context a ‘week’ is a continuous period beginning on Sundayand ending at midnight the following Saturday. |
| **21** | **Can I work for Aberdeen City Council (or other Local Authority) again?** | Where an employee has an application for voluntary severance/early retirement approved by the Council, there will be an expressed and clear undertaking that the employee shall not apply for or accept paid work for Aberdeen City Council for a period of at least 24 months from the last date of employment. This provision also includes returning as an agency worker or working for Aberdeen City Council as an independent consultant. |
| **22** | **Will I have to work my notice period?** | Yes. Employees approved for VS/ER will work their notice period. Employees are usually entitled to one week’s notice for each year of service up to a maximum of 12 weeks’ notice. There is an option to waive notice, however this will need to be first discussed and terms agreed with Line manager. |
| **23** | **Will I be paid for any outstanding annual leave?** | Normally any balance of annual leave should be used before leaving.  |
| **24** | **Why does the VS/ER policy (ready reckoner) only recognise up to 20 years of service, when I have more than 20 years of continuous service?** | The calculation of benefits in relation to qualifying length of service is capped at 20 years for the calculation purposes on the ready reckoner for all employees of ACC (including teachers). Therefore for those employees with more than 20 years’ of continuous service, the maximum of 20 years will be used for the purpose of calculation. |
| **25** | **If I leave Aberdeen City Council under Early Retirement, will my pension be enhanced?** | No pension enhancements would not apply, however you would receive your pension with no reductions. |
| **26** | **If my application for VS/ER is declined, do I have the right of appeal against this decision?** | There is no right of appeal against this decision; however the reasons behind your application being declined will be explained to you. |
| **29** | **Is any lump sum received taxable?** | The first £30,000 received is not taxable. Thereafter, tax will be payable. |
| **30** | **What does ‘no reductions’ mean e.g. “access their pension without reduction” (p5 of policy)** | Pension is paid on the basis of pensionable service at the time a person leaves their employment. The term ‘no reductions’ means that the pension would be paid on the basis of what they are entitled to – it would not be reduced, but nor would it be increased. |
| **31** | **If an employee is already over the age of 65, does Early Retirement still apply?** | Yes |
| **32** | **If an employee wishes to retire early under the ‘rule of 85’, do they still require to have the agreement of their Line Manager and their service/department.** | Yes. |