
STATUTORY INSTRUMENTS

2000 No. 1410

The Local Government (Early Termination of
Employment) (Discretionary Compensation)
(England and Wales) Regulations 2000

PART IV

ALTERNATIVE DISCRETIONARY AWARDS
FOR THOSE AGED 50 AND OVER

Persons eligible for discretionary awards

7.—(1) A person is an eligible person for this Part if he satisfies the requirements in paragraph (2).

(2) The requirements are that, on the termination date—

- (a) he is not entitled to have his case considered for long-term compensation or retirement compensation under section 259 (compensation for loss of office) of the Local Government Act 1972⁽¹⁾ or under any statutory provision to similar effect;
- (b) that his total membership is not to be increased under regulation 52 of the Pension Regulations (power of employing authority to increase total membership of members leaving employment at or after 50) because of the terminated employment;
- (c) that he is not to receive compensation for the terminated employment under regulation 6 of these Regulations;
- (d) he is at least 50, but under 65 or, if he is a coroner, under 70;
- (e) the total of—
 - (i) his total membership⁽²⁾,
 - (ii) any periods of superannuable membership⁽³⁾, and
 - (iii) any increase in membership under regulation 13 of the Transitional Regulations, is 5 years or more; and
- (f) his total membership is not more than 40 years; or
- (g) if he is an assumed member, any periods which would count as periods of special service—
 - (i) amount in total to at least 5 years; and
 - (ii) do not in total exceed 40 years.

Award of credited period by way of compensation

8.—(1) An employing authority may award a credited period to an eligible person.

(1) 1972 c. 70.

(2) See regulation 9(2) of the Pension Regulations.

(3) See regulation 10 of the Pension Regulations; amended by S.I.1998/1238.

- (2) A credited period must not exceed whichever is the shortest of—
- (a) the difference between his total membership and 40 years;
 - (b) the period beginning with the day after the termination date and ending on his 65th birthday, less the period of his residual entitlement (if any);
 - (c) the total of—
 - (i) his total membership; and
 - (ii) any period which counts as a period of superannuable membership; and
 - (iii) any increase in membership under regulation 13 of the Transitional Regulations, or, if he is an assumed member, any period which would count or any increase which would be awarded apart from a relevant disqualification and on the relevant assumptions; and
 - (d) 10 years.
- (3) An award may not be made later than six months after the termination date.

Period of residual entitlement

9.—(1) A person has residual entitlement (regulation 8(2)(b)) if he has been awarded a credited period in respect of an earlier cessation.

- (2) The period of his residual entitlement is that found by applying the formula

$$(A + B + C) - D$$

where—

A is his earlier extra service, or if paragraph (3) applies to him, that service as reduced in accordance with paragraph (4);

B is the length of the terminated employment;

C is the total of any other periods during which he was or could have been a Scheme member, being periods between the end of the first employment for which earlier extra service was granted and the beginning of the terminated employment; and

D is the period between the end of the first employment for which earlier extra service was granted and the termination date.

- (3) This paragraph applies to a person—
- (a) who, after an earlier cessation or, if there has been more than one, the first of them, has ceased to hold another employment (“his subsequent employment”); and
 - (b) whose earlier extra service has been reduced by the whole or part of the period of his subsequent employment; or
 - (c) whose retirement payment attributable to that earlier extra service has been reduced on account of the whole or part of the period of his subsequent employment.

(4) The earlier extra service of a person to whom paragraph (3) applies shall be reduced by the period of his subsequent employment or, where the reduction in paragraph (3)(b) or (c) was of, or attributable to, part of that period, by that part.

Lump sum compensation

10.—(1) Subject to Part V, an eligible person who has been awarded a credited period is entitled to compensation in the form of a lump sum if—

- (a) on ceasing to hold the terminated employment, he is entitled to a retirement grant under regulation 26 (redundancy, etc.) of the Pension Regulations; or

(b) but for a relevant disqualification, he would be so entitled on the relevant assumptions.

(2) The amount of lump sum compensation payable, unless adjusted in accordance with Part V, is an amount equal to that by which his retirement grant would be increased on the relevant assumptions and in accordance with the Pension Regulations if his total membership were increased by the credited period.

Annual compensation: general provision

11.—(1) Subject to Part V, an eligible person who has been awarded a credited period is entitled to annual compensation.

(2) The rate at which annual compensation is payable, unless adjusted in accordance with Parts V, VI or VII, is the same as that by which the pension to which—

(a) he is entitled under regulation 26 of the Pension Regulations; or

(b) would be so entitled, but for a relevant disqualification

would be increased, on the relevant assumptions and in accordance with those Regulations, if his total membership were increased by the relevant credited period.

(3) Annual compensation is payable from the day after the termination date.