



2014 CHAPTER 8

PART 16

MISCELLANEOUS

*Transfer schemes*

**Compensation for loss of office or diminution of emoluments**

**123.**—(1) This section applies to any person who at any time after the date on which this Act receives Royal Assent—

- (a) is employed by a local government body; and
- (b) suffers loss.

(2) In this section—

“local government body” includes the Local Government Staff Commission and a council whenever established;

“loss” means loss of employment or loss or diminution of emoluments which is attributable to any provision made by or under—

- (a) this or any other Act mentioned in subsection (1) of section 124;
- (b) any transfer of functions or any statutory provision falling within paragraph (a) or (b) of subsection (2) of that section.

(3) Compensation in respect of loss suffered by a person to whom this section applies is, subject to subsection (5), to be paid only in accordance with regulations made for the purposes of this section under Article 19 of the Superannuation (Northern Ireland) Order 1972; and accordingly no local government body is to pay any such compensation under any other statutory provision, by virtue of any provision in a contract or otherwise.

(4) Subsection (3) does not preclude the payment of compensation if it forms part of a severance arrangement which has been sanctioned by the Department. The Department must satisfy itself that the arrangement is reasonable.

(5) Subsection (3) does not preclude the making of any payment to which a person is entitled by virtue of contractual rights acquired by the person before 12th June 2012.

(6) Regulations under Article 19 of the Superannuation (Northern Ireland) Order 1972 must not provide compensation for a person to whom this section applies in respect of any loss so far as attributable to the termination on or before 1st April 2015 of a contract made after 12th June 2012 which provides for the employment of that person for a fixed term extending beyond the abolition date.

(7) For the purpose of determining under Article 173 or 176 of the Employment Rights (Northern Ireland) Order 1996—

- (a) whether the provisions of a new contract offered to a person employed by a local government body differ from the corresponding provisions of the previous contract; and
- (b) whether employment under the new contract is suitable in relation to that person,

there is to be treated as forming part of the remuneration payable under the new contract any compensation to which that person is or, if the person accepted the offer, would be entitled in accordance with this section.

(8) Except as provided in subsection (7), nothing in this section is to be construed as affecting any entitlement to a redundancy payment under Part 12 of the Employment Rights (Northern Ireland) Order 1996 or to any payment by virtue of any provision of the Superannuation (Northern Ireland) 1972 other than Article 19 of that Order.