
STATUTORY INSTRUMENTS

1984 No. 740

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Government (Compensation for Redundancy and
Premature Retirement) Regulations 1984**

Made - - - - - 24th May 1984

Laid before Parliament 8th June 1984

Coming into Operation 1st July 1984

The Secretary of State for the Environment, in exercise of the powers conferred upon him by section 24 of the Superannuation Act 1972(a), and of all other powers enabling him in that behalf, and with the consent of the Treasury hereby makes the following regulations:—

**PART I
GENERAL**

Citation and commencement

1. These regulations may be cited as the Local Government (Compensation for Redundancy and Premature Retirement) Regulations 1984 and shall come into operation on 1st July 1984.

Interpretation

2. In these regulations “the principal regulations” means the Local Government (Compensation for Premature Retirement) Regulations 1982(b).

PART II

COMPENSATION IN CERTAIN CASES OF REDUNDANCY

Interpretation etc.

3.— (1) In this Part “the 1978 Act” means the Employment Protection (Consolidation) Act 1978(c).

(2) For the purposes of this Part —

(a) rent officers and deputy rent officers appointed in pursuance of a scheme under section 63 of the Rent Act 1977(d) shall be deemed to be officers in the employment of the local authority for whose area the scheme was made,

(a) 1972 c.11.
(d) 1977 c.42.

(b) S.I. 1982/1009.

(c) 1978 c.44.

- (b) superintendent registrars, deputy superintendent registrars, registrars and deputy registrars of births and deaths shall be deemed to be officers in the employment of the local authority who made the scheme under section 14 of the Registration Service Act 1953(a) for the district in or for which the officer acts, and
- (c) justices' clerks shall be deemed to be officers in the employment of the magistrates' courts committee by whom they were appointed or are deemed to have been appointed,

and the expressions "employment" and "employed" shall be construed accordingly.

Persons to whom Part II applies

4.— (1) Subject to paragraph (2), this Part applies to any person who is entitled to a redundancy payment under the 1978 Act and who, on or after 1st July 1984, ceases to hold his employment with an authority specified in —

- (a) Part I of Schedule 1 to the principal regulations, or
- (b) column 1 of Part II of that Schedule.

(2) This Part does not apply to a person ceasing to hold an employment in which he was a person in relation to whom regulations may be made under section 9 of the Superannuation Act 1972 (superannuation of teachers).

Compensation

5. The authority by whom a person to whom this Part applies has ceased to be employed may pay him compensation which does not exceed the difference between —

- (a) the redundancy payment to which he is entitled under Part VI of the 1978 Act, and
- (b) the redundancy payment to which he would have been so entitled if paragraph 8(1)(c) of Schedule 14 to the 1978 Act (weekly pay in excess of specified limit to be disregarded in calculating redundancy payments) had been repealed.

PART III

AMENDMENT OF PRINCIPAL REGULATIONS

Definitions in principal regulations

6. Regulation 3 of the principal regulations is amended by substituting for the definition of "redundancy payment" the following definition:

“ "redundancy payment" shall be construed in accordance with regulation 3A;”.

Meaning of "redundancy payment"

7. The principal regulations are amended by inserting after regulation 3 the following regulation:

(a) 1953 c.37.

“Meaning of “redundancy payment”

3A.— (1) Subject to paragraph (2), “redundancy payment” means the aggregate of —

- (a) the redundancy payment to which a beneficiary is entitled under Part VI of the Employment Protection (Consolidation) Act 1978 (“the 1978 Act”), and
- (b) any compensation paid to him under Part II of the Local Government (Compensation for Redundancy and Premature Retirement) Regulations 1984 (“the 1984 regulations”),

in respect of the cessation of his former employment.

(2) Where the definition in regulation 3 of “excepted payment” falls to be applied for the purposes of paragraph 7 of Schedule 2 (previous entitlement on termination of an employment before the material date), the reference in that definition to a redundancy payment is to be treated as a reference to the aggregate of the redundancy payment to which the beneficiary became entitled under Part VI of the 1978 Act in respect of the termination of the relevant employment, and —

- (a) where the termination occurred before 1st July 1984, any amount paid to him in respect of it in pursuance of a contract or arrangement and calculated by reference to —
 - (i) the payment under Part VI of the 1978 Act,
 - (ii) a period of continuous employment or employments (subject to a maximum period of 20 years), and
 - (iii) his remuneration in the relevant employment, or
- (b) where the termination occurred after 30th June 1984, any compensation paid to him in respect of it under Part II of the 1984 regulations or any corresponding provision in other regulations made under section 24 of the Act of 1972 which applies to persons in relation to whom regulations may be made under section 7 or 9 of that Act.”.

Persons to whom the regulations apply

8. Regulation 4 of the principal regulations is amended —

- (a) by inserting in paragraph (1), after the words “the provisions of”, the words “paragraph (2) and”;
- (b) by deleting the words from “and any period” to “occupational pension” in paragraph (1)(c)(iii);
- (c) by deleting paragraph (1)(d); and
- (d) by substituting for paragraph (2) the following:

“(2) In relation to a person who in his employment immediately before the material date was engaged wholly or mainly in connection with the

employing authority's functions as a harbour authority as defined in section 57(1) of the Harbours Act 1964(a), these regulations apply with the modifications set out in Schedule 5."

Additional service

9. Regulation 5(a) of the principal regulations is amended by deleting the words from "and any period" to "occupational pension".

Lump sum compensation and annual compensation

10. Regulation 6 of the principal regulations is amended by inserting after paragraph (3) the following paragraphs:

"(3A) Where —

- (a) immediately before the material date a beneficiary is entitled to an occupational pension, and
- (b) the aggregate of his reckonable service, any period in respect of which he is entitled to the occupational pension, and any additional service exceeds 40 years, and
- (c) the aggregate of the annual rates for the time being of his retirement pension under the Superannuation Regulations, of the occupational pension if in payment, and of the annual compensation payable under paragraph (3) would exceed the relevant amount specified in paragraph (3C),

the basic rate of the annual compensation shall be reduced so that the relevant amount is not exceeded.

(3B) For the purposes of paragraph (3A) —

- (a) the annual rates at any time of the annual compensation and of any other official pension within the meaning of the Pensions (Increase) Act 1971(b) ("the Act of 1971") are their annual rates as increased under that Act,
- (b) the annual rate at any time of an occupational pension which is not such an official pension is its annual rate as increased under any contract, scheme or other arrangement, and
- (c) the basic rate of the annual compensation is its basic rate for the purposes of the Act of 1971.

(3C) The relevant amount mentioned in paragraph (3A) is —

- (a) if a retiring allowance under regulation E2 of the Superannuation Regulations is payable, 50 per cent, and
 - (b) if no such retiring allowance is payable, $66\frac{2}{3}$ per cent,
- of (A + B), where —

A is the amount of the beneficiary's pensionable remuneration within the meaning of regulation E1 of the Superannuation Regulations, and

B is any amount by which A would have been increased if it had been the annual rate of an official pension within the meaning of the Act of 1971 beginning on and payable from the day after the material date."

Previous entitlements

11. Paragraph 2 of Schedule 3 to the principal regulations is amended by deleting the words from "but" to the end of the paragraph.

Modification for former harbour authority employees

12. The principal regulations are amended by inserting after Schedule 4 the following:

" SCHEDULE 5 Regulation 4(2)

MODIFICATION FOR FORMER HARBOUR AUTHORITY EMPLOYEES

1. In regulation 3, after paragraph (v) of the definition of "excepted payment" insert:

"or

(vi) a payment under an agreement made before 1st July 1984 in connection with the closure, in the exercise of powers conferred by any Act of Parliament passed before that date, of any harbour;"

2. In regulations 5, 6, 9, 11 and 12, for the words "the date upon which these regulations come into operation" (wherever occurring) substitute "1st July 1984".

3. In regulation 14, for the words "the coming into operation of these regulations" (wherever occurring) substitute "1st July 1984".

Patrick Jenkin,
Secretary of State for the Environment.

18th May 1984.

We consent.

Tristan Garel-Jones,
Alastair Goodlad,
Two of the Lords Commissioners
of Her Majesty's Treasury.

24th May 1984.

EXPLANATORY NOTE

(This note is not part of the regulations.)

These regulations make provision for compensation in certain cases of redundancy, and amend the Local Government (Compensation for Premature Retirement) Regulations 1982 ("the principal regulations").

Part II authorises the payment to redundant local government employees, and to certain office-holders who may become entitled to redundancy payments under the Employment Protection (Consolidation) Act 1978, of compensation not exceeding the difference between the amount payable under that Act and the amount that would have been so payable but for the limit imposed by the Act on the amount of weekly pay to be taken into account in calculating the payment.

Part III contains amendments to the principal regulations.

- (1) The definition of "redundancy payment" is replaced by a definition which takes account of Part II (regulations 6 and 7, with a consequential amendment in regulation 11).
- (2) The application of the principal regulations is extended to pensionable employees engaged in connection with a local authority's functions as harbour authority, with modifications preserving compensation from adjustment on account of payments already made under certain local arrangements (regulations 8(a), (c) and (d) and 12).
- (3) The principal regulations limited the maximum period of "additional service" on which compensation may be based so that that period, together with any period in respect of which a person was entitled to a pension under the Local Government Superannuation Regulations 1974 (S.I. 1974/520) and any other occupational pension, did not exceed 40 years. As amended by regulations 8(b), 9 and 10, they will instead limit annual compensation in cases where there is an entitlement to an occupational pension and total service taken into account exceeds 40 years. In such cases the aggregate rate at any time of pensions and compensation and any statutory or other increases in them must not exceed a specified percentage of final salary, notionally increased as if it had been an official pension within the meaning of the Pensions (Increase) Act 1971.

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