
STATUTORY INSTRUMENTS

1995 No. 2865

The Local Government (Compensation for Reduction of Remuneration on Reorganisation) (Scotland) Regulations 1995

Amount of compensation payable

5.—(1) Compensation shall be payable in accordance with this regulation in respect of each separate reduction of remuneration suffered by an eligible employee.

(2) As soon as reasonably practicable and, in any event, within three months of the date on which an eligible employee suffers a reduction of remuneration, or the date on which these Regulations come into force, whichever is the later, the new authority shall determine to pay to such an employee the compensation prescribed in paragraph (3).

(3) Subject to the provisions of paragraphs (4) and (5), the compensation which the new authority shall determine to pay under paragraph (2) shall—

- (a) where regulation 3(a)(i) applies, be a sum equal to three times the difference between the annual rate of remuneration payable to the eligible employee by the old authority at the date on which he left that employment and the annual rate of remuneration payable at the start of his new employment with the new authority; and
- (b) where regulation 3(a)(ii) applies, be a sum equal to three times the difference between the annual rate of remuneration payable to the eligible employee immediately before and after the reduction in question took effect.

(4) Where the whole or any part of the remuneration payable to an eligible employee in his former employment or, as the case may be, in his employment with a new authority immediately before the reduction in question took effect was not determined at an annual rate or was determined by applying a fixed rate to an irregular pattern of employment, the annual rate of remuneration or relevant part thereof for the purposes of paragraph (3) shall be the total amount or relevant part of that amount earned during the period of five years ending with the date on which that person left his former employment, or as the case may be, the date immediately before the reduction in question took effect, divided by five, or, where the employment in question subsisted for a shorter period, the total amount or relevant part of that amount earned during that period divided by a factor equal to the length in years, and parts of a year, of that employment.

(5) Where the whole or any part of the remuneration payable to an eligible employee at commencement of his employment with the new authority or, as the case may be, immediately after the reduction in question takes effect is not determined at an annual rate or is determined by applying a fixed rate to an irregular pattern of employment, that authority shall, for the purposes of paragraph (3), determine the annual rate of remuneration or relevant part thereof which the employee could, on the basis of the terms and conditions of employment and the circumstances of employment at the time in question, be expected to earn in a year.

(6) Subject to regulation 6, any compensation payable under this regulation shall be paid in equal instalments over a period of three years, commencing with the date of reduction of remuneration, at such regular frequency, not exceeding monthly intervals, as may be determined by the new authority:

Provided that the first instalment, which shall be paid as soon as practicable after the determination under paragraph (2), shall be increased as necessary to cover the amount of

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compensation which would have been payable in the period from the date of reduction of remuneration until the date of payment.