
EXPLANATORY NOTE

(This note is not part of the Regulations)

The purpose of these Regulations is to allow a lump sum payment to be made to certain employees who cease to hold employment with a relevant body by reason of redundancy or in the interests of the efficiency of their employer during a specified period in consequence of local government reorganisation in Scotland.

Part II of the Regulations lays down the conditions which require to be met if a person is to be eligible and how the compensation is calculated. Regulation 6 applies to employees aged 18 or over but less than 50 with 2 or more years' reckonable and qualifying service. Such employees are not eligible for immediate payment of pension benefits in terms of the Local Government Superannuation (Scotland) Regulations 1987 (S.I. 1987/1850) ("the 1987 Regulations") nor can they be credited with an additional period of service in terms of regulation 5 of the Local Government (Compensation for Premature Retirement) (Scotland) Regulations 1979 (S.I. 1979/785). This regulation provides that the compensation payable to an individual is mandatory and will be on a sliding scale, determined by his age and complete years of service, subject to an overall limit equivalent to 66 weeks' remuneration.

The payment of compensation calculated in accordance with regulations 7, 8 and 9 is at the discretion of the employing body. Regulation 7 applies to employees aged 50 or over with 2 or more but less than 5 years' qualifying and reckonable service. Such employees are eligible for immediate payment of pension benefits under the 1987 Regulations but are not eligible to be credited with an additional period of service under regulation 5 of the 1979 Regulations. Regulation 8 applies to employees aged 50 or over with 5 or more years' qualifying and reckonable service. Such employees are eligible for immediate payment of pension benefits under the 1987 Regulations and may be credited with an additional period of service under regulation 5 of the 1979 Regulations. Should the employing body decide, in the exercise of its discretion, to pay compensation in accordance with regulations 7 or 8 the amount of that compensation is determined in accordance with those regulations, subject, in the case of regulation 8, to an overall limit equivalent to 45 weeks' remuneration. Under regulation 9 however, employing bodies may decide to pay further compensation, in addition to that calculated in accordance with regulations 7 or 8, provided that the total compensation payment under regulations 7 or 8 and 9 shall not exceed the relevant maximum specified in regulation 9(2).

Regulation 10 provides that all payments made under these Regulations are reduced by the aggregate of the amount of any redundancy payment under the Employment Protection (Consolidation) Act 1978 (c. 44) and any compensation paid under Part II of the Local Government (Compensation for Redundancy and Premature Retirement) (Scotland) Regulations 1984 (S.I. 1984/846).

A person will only receive compensation calculated in accordance with regulation 7 of these Regulations if he waives his right to immediate payment of pension benefits under regulation E2(1)(b)(iii) of the 1987 Regulations. A person will not receive compensation calculated in accordance with regulation 8 of these Regulations if he has been credited with an additional period of service in accordance with the provisions of regulation 5 of the 1979 Regulations.

Part III of the Regulations deals with notification and payment of compensation. Part IV of the Regulations amends the 1979 Regulations by providing that an individual who receives compensation under these Regulations shall not be credited with an additional period of service under the 1979 Regulations. It also amends the Local Government (Compensation for Redundancy) (Scotland) Regulations 1994 (S.I. 1994/3068) by providing that the provisions of those Regulations

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shall not apply to any person who is entitled to have his case considered for payment of compensation under these Regulations.