

---

STATUTORY INSTRUMENTS

---

**2000 No. 1410**

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

**PART IX**

**INFORMATION ABOUT AND PAYMENT OF COMPENSATION**

**Policy statements**

- 26.**—(1) Each employing authority must formulate, publish and keep under review—
- (a) the policy that they apply in the exercise of their discretionary powers under Parts II to IV and Parts VI to VIII, and
  - (b) the policy they apply in the exercise of their duty under regulations 17 and 19 to reduce annual compensation.
- (2) If the authority decide to change either policy, they must publish a statement of the amended policy within one month of the date of their decision.
- (3) The authority must not give effect to any policy change until one month has passed since the date of publication of the statement under paragraph (2).
- (4) In formulating and reviewing their policies the authority must—
- (a) have regard to the extent to which the exercise of their discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service; and
  - (b) be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

**Information relevant to compensation—employing authorities**

- 27.**—(1) Within one month after the date of—
- (a) the award of a credited period;
  - (b) the death of a person in respect of whom a credited period had been awarded; or
  - (c) the making of any adjustment affecting the compensation payable to, or for the benefit of, a person under any of Parts IV to VIII,
- the employing authority must, by notice in writing, inform the recipient of the effect of the award or the adjustment, as the case may be, giving details of any relevant calculation.
- (2) The employing authority may at any time, by notice in writing, require a person to whom compensation is payable under any of Parts IV to VIII—
- (a) to supply such information; and
  - (b) to produce such documents in support of that information,

as they may reasonably require for the discharge of their functions under these Regulations; and may require the information and documents to be supplied and produced within such reasonable period as may be specified in the notice.

### **Information relevant to compensation—individuals**

**28.**—(1) Within one month after the date of his entry into, or departure from, a new employment, a person to whom a credited period has been awarded must, by notice in writing, inform his employing authority of that fact.

(2) A person who has received a notice under regulation 27(2) must supply the information and produce the documents required (in so far as they are in his possession or under his control); and, if a period for their supply and production has been specified in the notice, must supply and produce them before the end of that period.

### **Payments and repayments**

**29.**—(1) Any compensation payable under these Regulations—

- (a) is payable to or in trust for the person entitled to receive it;
- (b) is not assignable or chargeable with his debts or other liabilities; and
- (c) on his bankruptcy, shall not vest in his trustee in bankruptcy as part of his estate.

(2) Compensation (other than compensation payable in a lump sum) payable to, or in respect of, a person shall be payable where the entitlement arises under Parts IV or VIII, at the same intervals as those at which his pension is payable under the Pension Regulations (or, but for a relevant disqualification and on the relevant assumptions or, as the case may be, the transfer of benefits to another pension scheme, would have been so payable).

(3) Where any compensation is paid in error to any person (including any overpayment)—

- (a) the paying authority must, as soon as possible after the discovery of the error—
  - (i) inform the person concerned, by notice in writing, giving details of the relevant calculation;
  - (ii) where there has been an underpayment, make a further payment;
  - (iii) where there has been an overpayment, specify a reasonable period for repayment;
- (b) a person who has received a notice under sub-paragraph (a) must repay any overpayment within the specified period; and
- (c) the paying authority may take such steps as they consider appropriate to recover from the person to whom it was paid any overpayment which has not been repaid within the specified period.

(3) The paying authority shall take into account the person's circumstances (so far as known or reasonably ascertainable), before taking steps under paragraph (3)(c).

### **Interest on late payments**

**30.**—(1) Where all or part of any compensation due under either of Parts IV or VIII is not paid within the relevant period after the due date, the paying authority must pay interest on the unpaid amount to the person to whom it is payable.

(2) The rate of interest is one per cent. above base rate on a day to day basis from the due date to the date of payment, and compounded with three-monthly rests.

**Authority by whom compensation is payable**

**31.**—(1) Unless other provisions of these Regulations have a different effect, compensation payable under either of Parts IV or VIII shall be paid by the employing authority.

(2) The appropriate authority in relation to any person who is entitled to any compensation under these Regulations may agree with the employing authority to pay on their behalf any compensation arising in respect of that person and to recover the amount from the employing authority within such period (subject to paragraph (4)) and on such terms as the appropriate authority may determine.

(3) Lump sum compensation may not be paid from the pension fund maintained by the appropriate authority under the Pension Regulations.

(4) The amount of any other compensation paid from the pension fund by an appropriate authority on behalf of the employing authority must be recovered from the employing authority within two months from the payment.