
STATUTORY INSTRUMENTS

2006 No. 2914

**The Local Government (Early Termination of
Employment) (Discretionary Compensation)
(England and Wales) Regulations 2006**

Discretionary compensation

6.—(1) This regulation applies where a person—

- (a) ceases to hold his employment with an employing authority, and
- (b) in respect of that cessation may not count an additional period of membership under regulation 52 (power of employing authority to increase total membership of members) of the Pension Regulations⁽¹⁾.

(2) Where this regulation applies, the employing authority may, not later than six months after the termination date, decide to pay compensation under this regulation and in that event shall, as soon as reasonably practicable after the decision, notify the person in whose favour it has been made, giving details of the amount of the compensation.

(3) The amount of compensation must not exceed 104 weeks' pay.

(4) Chapter 2 (a week's pay) of Part 14 (Interpretation) of the 1996 Act shall apply for the purpose of calculating a person's week's pay as it applies for the purpose of calculating redundancy payments but—

- (a) with the substitution for references to the calculation date of references to the termination date; and
- (b) without the limit on a week's pay imposed by section 227 of that Act.

(5) If the person in whose favour a decision under paragraph (2) has been made receives a redundancy payment under Part 11 of the 1996 Act or compensation under regulation 5 of these Regulations, the equivalent amount shall be deducted from the compensation otherwise payable to him under this regulation.

(6) Compensation under this regulation shall be paid by the employing authority as soon as practicable after the decision under paragraph (2).

(7) The compensation shall be payable in the form of a lump sum.

(1) Regulation 52 was amended by [S.I. 2004/573](#).