

## **Early Redundancy/Voluntary Severance (ERVS) FAQ**

A number of people have asked for more information about early retirement/voluntary severance (ER/VS) including the process and how payments are calculated. This FAQ is intended to provide answers to a number of common queries. If your question is not answered below please contact [human.resources@chorley.gov.uk](mailto:human.resources@chorley.gov.uk)

### **How do I find out what I would be entitled to should I leave on ER/VS?**

People can ask for a no obligation breakdown of what their entitlements would be should they apply for and be granted ERVS by emailing [human.resources@chorley.gov.uk](mailto:human.resources@chorley.gov.uk)

This does not oblige you to formally apply for ERVS and all queries are treated in the strictest of confidence.

### **How are redundancy payments calculated?**

Redundancy payments are based upon the Government redundancy ready reckoner (<https://www.gov.uk/calculate-your-redundancy-pay>) which takes into account a person's age, length of continuous service and weekly wage (you can calculate your weekly wage by dividing your actual annual salary by 52.142).

The weekly wage would not be capped by £538 (full time annual salary £28,053) as indicated by the calculator, but would be based upon your actual weekly wage. If your weekly wage is higher than £538 you would multiply it by the number of weeks the calculator indicates you are entitled to.

The 2.2 multiplier is not applied to ERVS as this is a voluntary redundancy rather than a compulsory redundancy.

### **Will this affect my pension?**

People who are aged 55 and above would be entitled to the immediate payment of their Local Government Pension without reduction for early release (the pension is usually only paid from age 65). This would usually result in a cost to the Council known as the pension strain which does increase the total cost of the ERVS request.

People under 55 are not entitled to this immediate payment and no pension strain will be paid.

For more information on how your pension may be affected you should contact LGPS and more information can be found here: [Home - Your Pension Service](#)

### **What happens if I apply for ERVS?**

All requests for ER/VS are considered individually in light of the total costs (outlined above), and the potential savings. Approvals will require member sign off. Decisions will be made as quickly as possible but in some circumstances this may be considered as part of a service review and the timescales will be shared once they are known.

There is no automatic right to ERVS and all decisions will be made based on the needs of the councils.

**If I ask for ERVS and its approved how soon would I leave?**

Leaving dates will be agreed based on the needs of the service and the organisation.

As a minimum the council will give people notice of 1 week for each year of service, to a maximum of 12. People will usually be expected to work their full notice period.

**Are there legal restrictions on the payments I could receive?**

The Ministry of Housing, Communities and Local Government may look at introducing restrictions relating to exit payments, however, no such restrictions are currently in place and the Government has recently announced that the £95K cap on public sector exit payments is to be scrapped.

**Would I pay tax and national insurance on my exit payment?**

The first £30,000 of a redundancy payment is tax and national insurance free, any amounts paid over this will be subject to deductions.

**Can I work for a council again if leave under ERVS?**

Yes there are no restrictions on people returning to local government employment after they have left, but you should not start a new role within 28 days of leaving or you will have to pay back any redundancy you have received.