



Salary Protection & Redundancy Pay

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Applicable from 01 September 2021

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1.0 Introduction

From time to time, the Trust will have to implement changes to the staffing structure to ensure it best meets the needs of the curriculum and the school community. As a responsible employer the Trust wishes to maintain the security of employment of its colleagues as far as is reasonably practicable and to keep compulsory redundancies to a minimum. These changes will be managed under the Trust's Managing Change Procedure.

This document gives details of:

- salary protection arrangements when a colleague accepts a role at a lower salary as 'suitable alternative employment' due to organisational change, and
- calculation of redundancy pay when a colleague leaves our employment on either voluntary or compulsory redundancy grounds.

2.0 Salary protection (support staff)

This applies to all academy based and central / hub colleagues who are not employed on teachers' terms & conditions, unless the individual colleague joined the Trust via TUPE-transfer and is subject to more favourable terms on a reserved rights basis.

Salary protection equivalent to the difference between the colleague's old actual salary and new actual salary will be protected for a period of 12 months from the date on which the change is effective.

Example 1:

Actual salary for current role = £25,000

Actual salary for new role = £20,000

Difference = £5,000

Protected salary = £25,000 for 12 months

The salary protection sets the actual maximum salary for the protected period, rather than a set amount of money which is added to the salary for the new job. Therefore, any cost of living rise or other salary increase will not be applied in addition to this.

Example 2:

Actual salary for new role = £20,000

Protected salary = £25,000

Half way through the 12 month pay protection period a 2% pay uplift is awarded

New actual salary = £20,400

Protected salary is still £25,000

Example 3:

Actual salary for new role = £20,000

Protected salary = £20,300

Half way through the 12 month pay protection period a 2% pay uplift is awarded

New actual salary = £20,400. Pay protection comes to an end

Where a member of support staff has been served with notice of compulsory redundancy and then accepts a suitable alternative post in the same academy or elsewhere in the Trust, in accepting the new post the employee does so on the terms and conditions for that post and will no longer be entitled to a redundancy payment. In these circumstances salary protection (see above) will be offered up to a maximum cost equivalent to the redundancy payment which would otherwise have been paid.

3.0 Salary protection (teaching staff)

The safeguarding terms set out in the School Teachers' Pay & Conditions Document (as at the time the change is implemented) will apply.

4.0 Allocation of costs in a redundancy related redeployment situation

Where a colleague accepts an alternative permanent role in a different Trust academy (the "gaining academy"), their current academy (the "losing academy") will pay for any associated salary protection and excess travel costs for up to three years. The salary for the new role is paid by the gaining academy. Employment with the Trust is continuous, and responsibility for the colleague will transfer to the gaining academy. Should the new post become at risk of redundancy at some point in the future, the "gaining academy" will take responsibility for consultation and any resultant costs arising.

Should the colleague be redeployed to a temporary role, employment with the Trust is continuous and responsibility for the colleague will transfer to the gaining academy who will lead on any future redundancy consultation required when the temporary role comes to an end. The losing academy will be responsible for any salary protection, and any future redundancy payments arising at the end of the temporary placement. This responsibility will last for a maximum period of 3 years, and up to a cost not exceeding the greater of (1) the redundancy payment that would have been made if the colleague had been made redundant at the outset rather than being redeployed, or (2) salary protection which would have been paid had redeployment to that post been on a permanent basis. Any costs in excess of this will be paid by the "gaining academy".

5.0 Redundancy payments

These terms will apply unless the Trust is required to amend them by law (e.g. public sector exit payment regulations), and unless the individual colleague joined the Trust via TUPE-transfer and is subject to more favourable terms on a reserved rights basis.

Colleagues should also be informed about the Redundancy Payments (Local Government) Modification Order rule about subsequent employment - see Managing Change Procedure for more details.

Colleagues with less than 2 years' continuous service at date of leaving: contractual notice will be paid, but there is no entitlement to a redundancy payment.

Colleagues with more than 2 years' continuous service: a payment equaling statutory redundancy but with the weekly earning's cap removed* will be paid.

** a cap may be required in future to comply with public sector exit payment regulations.*

5.1 Calculation of redundancy payments

This method of calculation would apply in all circumstances where a statutory redundancy payment is applicable, including the redundancy of permanent staff and the ending of a temporary contract where employment has lasted more than 2 years.

Statutory redundancy is calculated as:

- half a week's gross weekly pay for each full year you were under 22
- one week's gross weekly pay for each full year you were 22 or older, but under 41
- one and half week's gross weekly pay for each full year you were 41 or older

Length of service is capped at 20 years, and a maximum of 30 weeks' salary is payable.

[This table](#) can be used to estimate redundancy payments, by looking up your age and the number of complete years' continuous service you have; where the two cross on the table, that is the number of weeks' gross weekly pay you would receive.

Note: gross weekly pay = earnings before tax and other deductions

5.2 Modification Order

Schools, including Academies, are covered by the modifications order. This means that if employees are offered another job with another school, local authority or other organisation covered by the Modification Order before their current employment ends and they take up appointment within four weeks of the date of redundancy, then no redundancy payment would be due. This is because the employee would not be classed as being dismissed in law, as the employee would retain their continuity of service for

statutory redundancy purposes. If no offer of employment is made before the date of redundancy then redundancy would apply even if the employee takes up local government employment within four weeks of the date of redundancy. In this instance continuity of service would not apply, and it is important therefore that staff are made aware of this.

5.3 Colleagues aged 55 and over at the date of leaving who are pension scheme members

In addition to the redundancy payment above, colleagues aged 55 and over may access their pension – subject to eligibility and the rules of the Teachers' Pension Scheme / Local Government Pension Scheme at the time they are made redundant. These rules may be subject to change e.g. due to public sector exit payment regulations.

As at April 2021:

Teachers

- Teachers may choose to receive an actuarially reduced pension in line with TPS's Early Retirement provisions
<https://www.teacherspensions.co.uk/members/planning-retirement/types-of-retirement/early-retirement.aspx>
- Co-op Academies Trust does not operate the option of Premature Retirement under the Teachers' Pension Scheme in a redundancy situation

Support Staff

- Support Staff who are subject to compulsory redundancy and who meet certain eligibility criteria may be eligible to receive a non-reduced pension. "If you lose your job because of redundancy or business efficiency, provided you are aged 55 or over and you meet the 2 year vesting period, your main benefits are payable immediately without any early retirement reductions. However, any additional pension paid for by Additional Pension Contributions (APCs), Additional Regular Contributions (ARCs) or Shared Cost APCs would be paid at a reduced rate if the retirement occurred before your Normal Pension Age (to take account of the additional pension being paid for longer)."
<https://www.lgpsmember.org/tol/thinking-leaving-when.php>

6.0 Review

This Policy will be reviewed once every three years, or sooner if necessary.