

Exit Payment Cap – Waiver Policy

Issued by HR



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Introduction

Under the Public Sector Exit Payment Regulations 2016 individuals who receive a severance payment upon leaving Kent County Council will have the amount capped at £95,000.

The Regulations apply to the following types of exit payment:

- redundancy payments
- payments made in relation to a voluntary exit from employment
- KCC funded top-up payments to allow an employee to take early retirement with an unreduced pension
- payments made in lieu of notice
- payments made in relation to the terms of a fixed term contract
- payments made under a settlement or conciliation agreement
- payment by way of shares consequent upon a loss of employment
- any other payment made as a consequence of, in relation, or conditional upon loss of employment whether under a contract of employment or otherwise

Payments excluded from the regulations include:

- payment for accrued annual leave
- payments made in respect of incapacity or death arising from an accident, injury or illness
- bonus payments determined to be due under a contract of employment
- payments made in accordance with an order of any court or tribunal

The Public Sector Exit Payment Regulations 2016 include a provision which allows, in exceptional circumstances, public sector employers to relax the cap on an employee's exit payment. This policy sets out KCC's approach to waiving the cap.

Scope

This policy applies to all KCC employees or officers who receive a severance payment equal to or exceeding £95,000.

General Principles

- The cap will be applied to the aggregated amounts of those payments covered by the regulations.
- The cap can be relaxed but only in line with this policy
- The waiver can only be applied by Personnel Committee

Relaxing the Payment Cap

Requests for relaxing the cap will be considered on a case by case basis and will only be agreed in exceptional circumstances - these may include:

- the payment in excess of the cap is being made to support a particular programme of reorganisation where changes need to be made quickly to avoid undermining the continuing effectiveness of operational delivery
- there are special circumstances pertaining to an individual employee
- it is in the public interest to grant a waiver in respect of a particular severance payment used either to settle a statutory dispute or claim or disputes or claims under an individual employment contract

Requirements for Requests to Waive the Cap

- Requests will only be accepted if they are made in writing and submitted to the Head of Human Resources (these may be submitted by either the employee or their Head of Service)
- All requests must provide sufficient detail regarding the reasons why they are requesting that the repayment requirement is waived.

KCC Standards

- All requests for relaxing the cap will be considered in the first instance by the Head of Human Resources
- Where the Head of Human Resources determines that the waiver request does not meet the exceptional circumstances criteria, written notification of this decision will be sent to the employee.
- Where the Head of Human Resources feels that there may be sufficient grounds on which to consider relaxing the cap the matter will be referred to Personnel Committee for a final decision
- There is no right of appeal against the decision taken by either the Head of Human Resources or Personnel Committee
- If a waiver request is agreed by Personnel Committee, the following information will be retained for three years:
 - the identity of the former employee
 - the amount and the type of payment that was waived
 - the date the decision was taken to waive the repayment
- KCC will, as part of the annual Statement of Accounts, publish the following information on the waiving of the repayment requirement:
 - the amount and type of payment that was waived
 - the date the decision was taken to waive the repayment
 - the reason for the decision to waive the repayment

Alternative Formats

This document is available in other formats. Call 03000 421553 or email alternativeformats@kent.gov.uk

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