

REPORT TO: POLICY AND RESOURCES COMMITTEE – 22 APRIL 2013
REPORT ON: LOCAL GOVERNMENT EMPLOYING AUTHORITY DISCRETIONS
REPORT BY: DIRECTOR OF CORPORATE OF SERVICES
REPORT NO: 193-2013

1 PURPOSE OF REPORT

This report outlines the discretionary ill-health gratuity that Dundee City Council, as a local government employing authority, may pay to employees who leave service as a result of a capability dismissal.

2 RECOMMENDATIONS

The Committee are asked to:

Approve the recommendation in Appendix A in respect of the discretion to be applied for Dundee City Council as Employing Authority.

3 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4 BACKGROUND

The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations give the Council a discretionary power to award an ill-health gratuity to employees who have their employment terminated on the grounds of their ill-health or infirmity of mind or body. To be eligible for an award the employee must have at least two years membership in the Local Government Pension Scheme and must not be eligible to receive an ill-health pension from that Scheme.

The ill-health gratuity that may be awarded is a lump sum payment equal to one week's pay for every whole year of employment with Dundee City Council, subject to a maximum of 30 week's pay.

The amount of one week's pay is the amount equal to the annual rate of the employee's pensionable pay on the day before the employee's employment is terminated divided by 52.

The regulations require Dundee City Council to publish a written statement of the policy they are to apply in the exercise of their discretionary powers.

5 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 CONSULTATION

The Chief Executive, the Head of Democratic & Legal Services and the Head of HR have been consulted.

7 BACKGROUND PAPERS

None.

**MARJORY M STEWART
DIRECTOR OF CORPORATE SERVICES**

15 APRIL 2013

EMPLOYING AUTHORITY – PENSION SCHEME DISCRETIONS**ILL-HEALTH GRATUITY****THE LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS AND INJURY BENEFITS) (SCOTLAND) REGULATIONS 1998**

Due to the cost to Dundee City Council in awarding an ill-health gratuity, in addition to pay in lieu of Notice, an ill-health gratuity will not normally be awarded unless there are exceptional circumstances.

Exceptional circumstances that may be considered include cases where the employee:

- may be suffering from a treatable medical condition, such as a heart attack, but whose condition remains unstable so as to prevent them from undertaking gainful employment within three years of leaving employment
- is the only earner in their household, they have dependent children under the age of 18 who are in full-time education and whose loss of office would lead to severe financial hardship for their family unit

Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months. This list is not exhaustive and only gives examples of the types of exceptional circumstances that may be considered.

Any cases that require exceptional circumstances to be considered will be considered by the Director of Corporate Services, who will determine if a gratuity should be paid.

Periods of Notice

Employees who leave service as a result of a capability dismissal are not required to work their contracted period of Notice. A payment will be made to the employee in lieu of Notice. This payment will equal one week's pay for each whole year of service up to a maximum of 12 week's pay.

A week's pay is the amount equal to the annual rate of the employee's contractual pay on the day before their employment is terminated multiplied by 7/365ths.