Personnel Committee

Early Retirement/Severance Policy

Committee Personnel

Date of meeting 7 November 2025 **Date of report** 9 October 2025

Report by Director of Finance & Corporate Support

1. Object of report

To request the committee approve the Early Retirement/Severance Policy, which has already been through formal consultation with the recognised Trade Unions.

2. Background to report

2.1 The Early Retirement/Severance Policy was reviewed and updated to reflect organisational changes.

2.2 The policy was further updated following recommendations from an internal audit report to ensure that the Early Retirement/Severance Policy meets the criteria as set out in the Local Government Pension Scheme and Audit Scotland (Accounts Commission) recent report.

2.4 SPT's recognised Trades Unions have been consulted on the Early Retirement/Severance Policy prior to implementation.

3. Outline of proposals

3.1 The policy clearly sets out at Section 4.1, the rules pertaining to retirement under ill health. It is clarified that only a qualified occupational health practitioner registered and approved by Strathclyde Pension Fund may make such a decision.

3.2 The policy confirms that the Personnel Committee will approve all efficiency retirals for Chief Officers (Directors and the Chief Executive). Prior to Personnel Committee consideration:

- the Chief Executive will consider and recommend proposals for early retiral and severance, (whether voluntary or compulsory) for Directors to the Personnel Committee.
- the Director of Finance & Corporate Support will consider and recommend proposals for early retiral and severance, (whether voluntary or compulsory), for the Chief Executive to the Personnel Committee.

No action will be taken until such time as the Personnel Committee approval is sought and received. While this has been arrangements in practice to date, the proposed changes codify the arrangements and ensure full transparancy.

3.3 The policy confirms that, in conjunction with HR, the Chief Executive and Directors will be responsible for ensuring appropriate procedures are followed and support provided, where required, to employees leaving the organisation under the terms of the Early Retirement/Severance Policy.

3.4 The proposed changes are being made to formally codify the governance without financial impact.

4. Committee action

The committee is recommended to approve the attached Early Retirement/Severance Policy, which has already been subject to formal consultation with the recognised Trade Unions.

5. Consequences

Policy consequences	*The Early Retirement/Severance Policy to be implemented to ensure SPT complies with the recommendations of Audit Scotland (Accounts Commission).*
Legal consequences	*Early Retirement/Severance Policy complies with legislation and recommended best practice.*
Financial consequences	*None directly.*
Personnel consequences	*HR to ensure the changes are communicated to all SPT employees.*
Equalities consequences	*None envisaged.*
Risk consequences	*Not reviewing and updating the Early Retirement/Severance Policy may result in non-compliance with the criteria set out by the Local Government Pension Scheme and Audit Scotland (Accounts Commission).*
Climate Change, Adaptation & Carbon Consequences	*None directly.*

Name	Lesley Aird	**Name**	Valerie Davidson
Title	**Director of Finance & Corporate Support**	**Title**	**Chief Executive**

For further information, please contact *Lesley Aird, Director of Finance & Corporate Support,* on *0141-333 3380 or Janice Morgan, Head of HR, on 0141-333 3414.*

APPENDIX 1

STRATHCLYDE PARTNERSHIP FOR TRANSPORT

EARLY RETIREMENT/SEVERANCE POLICY

Version Number	Purpose/Change	Author	Date
0.03	Updated to reflect current legislation and organisational changes.	Janice Morgan, Head of HR	01/11/2020
0.04	Updated to reflect changes to Data Protection legislation	Janice Morgan, Head of HR	08/02/2021
0.05	Updated to reflect current legislation and organisational changes and Audit Scotland guidance.	Karen McGarrity, HR Advisor	23/09/2025

Policy

1. Statement of Policy

1.1. SPT is committed to ensuring that an effective, consistent and fair procedure exists when dealing with efficiency retirement, ill-health retirement, voluntary or compulsory severance(redundancy).

1.2. The Strathclyde Pension Fund is the administering authority of the Local Government Pension Scheme for employees of Strathclyde Partnership for Transport. This policy should be read in conjunction with the information available on the Strathclyde Pension Fund website www.spfo.org.uk.

2. Scope of Policy

2.1. This policy applies to all employees of SPT.

3. Legislation

- Employment Rights Act 1996
- Trade Unions and Labour Relations (Consolidation) Act 1992
- Data Protection Act (2018)
- UK GDPR

Procedures

4. Rules

4.1. Retirement under ill-health

4.1.1. Retirements under ill-health are processed irrespective of age if it can be demonstrated that the employee is, in the opinion of our Occupational Healthcare practitioner, permanently incapable of discharging the duties of the post or any comparable post. Only a qualified occupational health practitioner registered and approved by the Strathclyde Pension Fund may make such a decision. If an employee qualifies for ill health retirement their benefits can be enhanced by:

- 100% of their potential membership to Normal Pension Age known as Tier 1 ill health retirement

- 25% of their potential membership to Normal Pension Age known as Tier 2 ill health retirement

4.1.2. This is dependent on whether the employee is likely to be capable of obtaining gainful employment again.

4.1.3. Employees must have 2 years LGPS Membership to be considered eligible for ill health retirement.

4.1.4. SPT operates in accordance with the regulations for LGPS.

1. LGPS ill-health retirement benefits can be found on the Strathclyde Pension Fund website at www.spfo.org.uk.

5. Redundancy

5.1. This will occur where:

a) The establishment where the employee works closes down.

b) The need for the employees carrying out the type of work on which the employee is contractually employed has ceased or reduced (the work itself may not have reduced – it is the need for the employees which is the test).

c) There is a change in the place of work of the employee, which is not allowed for in the contract of employment.

5.2. A redundancy payment will be made where an employee has at least two years continuous service at the time of the redundancy (see Appendix A). Redundancy pay is calculated using the employee's actual weekly pay.

5.3. Payment in lieu of notice will only be made in exceptional circumstances where the timescale for redundancy does not permit the employee to work their notice period.

5.4. Whether on a voluntary or compulsory basis, the severance terms provided will be the most favourable available, as follows:-

5.5. **Aged below 55 (or aged below 50 if you were a member of the LGPS on 5 April 2006 and have not had a break in membership since then)** – Redundancy pay of up to 66 weeks based on age and length of service.

5.6. **Aged 55 or over, (or aged over 50 if you were a member of the LGPS on 5 April 2006 and have not had a break in membership since then)** - pension with redundancy pay up to 30 weeks.

5.7. SPT has the discretion to offer added years up to a maximum of 6 & 2/3 years. The actualnumber of added years which may be available in any given year would therefore vary between zero and 6 & 2/3rds dependent upon the financial position at that time. The ceiling on the number of added years which can be awarded will be reviewed by the ChiefExecutive annually, based on the Partnership's financial position and service priorities.

5.8. The cost of redundancy payments will be met by SPT, as will the on-going cost of added years enhancement.

6. Efficiency Retirement

6.1. Where savings may not be quickly realised by the non-filling of a post SPT will only approve early retirement on efficiency grounds in exceptional circumstances or on compassionate grounds. The added years element will be restricted to no more than the ceiling applicable to redundancy in the respective year as set out above.

6.2. SPT adopts a two-tier approach to the approval of efficiency retirals.

6.3. **Level 1**: The Partnership's Personnel Committee will approve all efficiency retirals covering officers above Grade G, including Director Level and the Chief Executive.

6.4. **Level 2**: With the Partnership's delegated authority, the Chief Executive will approve all efficiency retirements covering staff up to and including Grade G.

7. Responsibilities

7.1. The Chief Executive is authorised to consider and recommend proposals for early retiral and severance (voluntary or compulsory) at Level 1 for Chief Officials, other than the Chief Executive themself, to the Personnel Committee.

7.2 The Director of Finance & Corporate Support is authorised to consider and recommend proposals for early retiral and severance (voluntary or compulsory) at Level 1 for the Chief Executive to the Personnel Committee.

7.3 The Personnel Committee will consider and approve all instances of early retirement and severance (voluntary or compulsory) at Level 1 (ie Chief Officers, Directors and the Chief Executive). In conjunction with HR, the Chief Executive/Directors will be responsible for ensuring appropriate procedures are followed and support provided, where required, to employees leaving the organisation under the terms of this policy.

7.4 The Chief Executive will consider and approve all instances of early retirement and severance (voluntary or compulsory) at Level 2 up to and including grade G posts. In conjunction with HR, Directors/Heads of Department/Managers/Supervisors will be responsible for ensuring appropriate procedures are followed and support provided, where required, to employees leaving the organisation under the terms of this policy.

8. Retirement Reporting

8.1. Notwithstanding the delegated authority given to the Chief Executive all early or efficiency retirements will be reported at least annually to the Personnel Committee.

9. Training

9.1. Training will be provided where required, to managers and supervisors, to ensure successful implementation of the policy.

10. Data Protection and UK GDPR

10.1. SPT will comply with the principles for processing personal data in line with its Data Protection Policy and applicable Data Protection legislation. Any data collected will be held securely and accessed by, or disclosed to, individuals only for the purpose of managing them as part of this policy. Inappropriate access or disclosure of employee data constitutes a data breach and should be reported in accordance with SPT's Information Security Incident reporting process immediately.

11. Review and Update

11.1. This policy will be reviewed and updated as appropriate by the Director of Finance & Corporate Support and HR after consultation with our recognised trade unions.

12. Approval (Signature and Date)

Sign:

_______________________________ Print: **Lesley Aird**

Date: 23 September 2025

_______________________________ Designation: **Director of Finance & Corporate Support**

Appendix “A” Calculation Tables

REDUNDANCY

Employees Aged below 55 or below 50 if a Pension Fund member before 5 April 2006

Completed Years of Service

Age	1		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
18																														
19		0.5	0.5																											
20		1	1	1																										
21		1.5	2	2	2																									
22		2	2.5	3	3	3																								
23		4	6	8	10	10	10																							
24		4	6	8	10	12	12	12																						
25		4	6	8	10	12	14	14	14																					
26		4	6	8	10	12	14	16	16	16																				
27		4	6	8	10	12	14	16	18	18	18																			
28		4	6	8	10	12	14	16	18	20	20	20																		
29		4	6	8	10	12	14	16	18	20	22	22	22																	
30		4	6	8	10	12	14	16	18	20	22	24	24	24																
31		4	6	8	10	12	14	16	18	20	22	24	26	26	26															
32		4	6	8	10	12	14	16	18	20	22	24	26	28	28	28														
33		4	6	8	10	12	14	16	18	20	22	24	26	28	30	30	30													
34		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	32	32												
35		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	34	34											
36		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	36	36										
37		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	38	38									
38		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	40	40								
39		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	42	42							
40		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	44	44						
41		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	46	46					
42		7	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	51	51				
43		10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	56	56			
44		10	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	61	61		
45		10	15	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	
46		10	15	20	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66
47		10	15	20	25	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66
48		10	15	20	25	30	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66	66	66	66
49		10	15	20	25	30	35	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66	66	66
50		10	15	20	25	30	35	40	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66	66	66	66	66	66	66
51		10	15	20	25	30	35	40	45	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66	66	66	66	66	66
52		10	15	20	25	30	35	40	45	50	55	57	59	61	63	65	66	66	66	66	66	66	66	66	66	66	66	66	66	66
53		10	15	20	25	30	35	40	45	50	55	60	62	64	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
54		10	15	20	25	30	35	40	45	50	55	60	65	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66

Employees Aged 55 and over or aged 50 and over if a Pension Fund Member before 5 April 2006

Completed Years of Service

Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
50	3	4.5	6	7.5	9	10.5	12	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
51	3	4.5	6	7.5	9	10.5	12	13.5	15	16	17	18	19	20	21	22	23	24	25
52	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
53	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19	20	21	22	23	24	25	26
54	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
55	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22	23	24	25	26	27
56	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	23.5	24.5	25.5	26.5	27.5
57	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25	26	27	28
58	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	26.5	27.5	28.5
59	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	29	29
60	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	29.5
61	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
62	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
63	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
64	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
65+	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30