

Voluntary Severance Scheme Policy



1. Introduction

1.1 The notes below are intended to set out how the University will manage the Voluntary Severance Scheme with care and sensitivity in order to mitigate wherever possible the impact upon remaining staff and the delivery of service.

2. Principles

2.1 Principles of the scheme are as follows:

- a) The scheme must be affordable and demonstrate 'value for money'.
- b) There should be openness, clarity and equity of application.
- c) All applications will receive careful consideration taking into account the financial and managerial interests of the University.
- d) The scheme will comply with the Equality Act 2010.
- e) There should be maximum flexibility.
- f) The scheme should provide sufficient incentive for individuals to accept the package.
- g) All applications will be submitted to and coordinated by the Human Resources Department.

3. Voluntary Severance Scheme

3.1 In areas where staff are applying for voluntary severance and it is in the interests of the University (either directly or as part of a consequential chain), the following arrangements will apply subject to affordability:

- **All members of staff will receive a payment of six months' pay**

If you are a member of a pension scheme, you may be able to also access your benefits. Please see further details below:

- **Member of NEST**
 - You may be able to access your pension benefits if over the age of 55. You should get in touch with NEST using your online account if you have any questions.

- **Member of BUPAS**

- If over the age of 55, you have the option of receiving your **unreduced** pension benefits from the date of leaving.

- **Member of USS**

- If over the age of 55 with at least 2 years' qualifying service, you have the option of receiving a **reduced** pension from the date of leaving.

3.2 For further information in relation to Pension Matters you should get in touch with the University's Pensions Manager, Eluned Hughes (eluned.hughes@bangor.ac.uk).

3.3 Although any member of staff can apply for voluntary severance, acceptance of any individual's application is a matter for the discretion of the University with due regard to sustainability, cost benefit and affordability.

3.4 Where the Panel declines the application, there will be no right of appeal.

3.5 Where a member of staff accepts a voluntary severance package, re-employment by the University will not normally be possible within two years and consideration must be taken of pension and HMRC rules.

4. Application Process

4.1 To ensure transparency with regard to the implementation of the Scheme, the recognised Trade Unions will be provided with anonymous data of applications received and agreements reached, illustrating that the decisions are both fair and equitable.

4.2 Applications for consideration are to be submitted to the HR Department. Heads of Department/School will be asked to comment on any applications and to present any further information. Designated members of the Executive Team will consider applications.

Voluntary Severance (VS) October 2024

Frequently Asked Questions

1. Is the Voluntary Severance Scheme available?

Yes, the scheme is available.

2. Is it available to all staff across the University?

Yes, all staff can apply, and applications will be approved where it is in the Management interests to do so.

3. Is the VS scheme 6 months' pay, and is this gross or net pay?

Yes, the sum payable equates to 6 months' salary. This is based on gross pay. The first £30,000 of any voluntary severance payment is tax free. This means anyone working full-time on a salary of up to £60,000 would receive the full sum free of any deduction. In most cases, this equates to about 8 months net (take home) pay.

For example, a staff member earning £25,000 would receive a VS payment of £12,500. Their normal monthly net salary (take home salary) would depend upon a number of factors, such as whether they pay into a pension scheme, participate in salary sacrifice arrangements, student loan repayment and so forth. Without these factors monthly net pay would be in the region of £1,711 per month. Over 6 months that provides a take home salary of £10,266, so the VS sum is £2,234 more than they would take home over a six-month period.

4. Is it possible to access Pension benefits?

Depending upon the age of the staff member and the rules of the scheme, it may be possible to receive pension benefits upon leaving. Further information can be obtained from the University Pensions Manager, Eluned Hughes at eluned.hughes@bangor.ac.uk

5. Will I be expected to agree to Voluntary Severance having not received a statement of estimated pension benefits?

No, staff members will be allowed the opportunity to obtain an estimate of their pension benefits before they formally accept Voluntary Severance; however, they should highlight an expression of interest on a without prejudice basis as soon as possible.

6. How can I apply for Voluntary Severance?

There is no form that requires completion, applications can be made via the HR Department (hr@bangor.ac.uk) or directly to Nia Blackwell, Senior HR Officer n.blackwell@bangor.ac.uk Tracy Hibbert, Chief People Officer,

t.hibbert@bangor.ac.uk or Steffan Griffith, Deputy Chief People Officer pos805@bangor.ac.uk. Enquiries about voluntary severance can also be made in confidence.

7. Am I still able to consider options such as flexible retirement, reduction in hours and so forth?

Yes, there are a range of options available; reducing hours of work and taking a career break. Information on all of these can be found on the [HR web pages](#) or by contacting your nominated HR Officer.

8. Is there a closing date for the Scheme?

The VS Scheme is scheduled to close on 30th November 2024.

9. How is VS different to Statutory Redundancy Pay?

Statutory Redundancy pay is the sum of money an organisation must pay an employee by law if they are no longer required and therefore lose their jobs.

It is calculated with reference to age, length of service, and salary. Length of service is capped at 20 years, and salary is capped at £700 per week. Any service over 20 years, and any salary earned over £700 per week is therefore disregarded for the purpose of the calculation. The [Government's web-site](#) has an on-line calculator for anyone to calculate the statutory redundancy sum that would be payable to them.

To qualify for a statutory redundancy payment employees must also to be employed for a minimum period of two years. There is no such requirement for the VS scheme.

10. Is the sum payable via the VS scheme greater than a statutory redundancy sum?

In the majority of cases VS will provide a greater sum.

For example, a staff member aged 40 earning £25,000 with 10 years' service would receive a VS sum of £12,500. The statutory redundancy sum payable to them would be £4,790 (10 weeks' pay).

In those cases where statutory redundancy provides a greater sum, the University will ensure that the VS sum payable will exceed the statutory amount.

11. If I apply for VS, can I still apply for vacancies within the University?

Yes. If you agree to VS you may still apply for vacancies at the University up until your agreed leave date (e.g. the agreed date following you signing and returning your VS offer letter). If you are appointed to another post, your offer of VS will no longer stand.

12. If I receive an offer for VS, how much time will I have to sign and return the agreement?

2 weeks.