

Long Service and Retirement Awards

1 Purpose

- 1.1 To seek the Employment Committee approval for the implementation of the Council's updated Long Service / Retirement Award.

2. Recommendation

- 2.1 That the Committee recommends the implementation of this updated policy from January 2010.

3 Details of the Report

3.1 Introduction

As part of our ongoing review of Policies and in light of the recent expenditure review it was agreed at the Employee Liaison Group (ELG) that the Service and Retirement award scheme be reviewed and updated. Consideration to be given to the current financial constraints and ongoing requirements to save money.

3.2 Current Scheme History and Payments

The current scheme was set up over 30 years ago and last updated in 1996. Historically the base figures in 1996 have been increased annually by the rate of inflation. The scheme consists of a two types of awards:-

- Long Service Award for 2009/10
 - Over 10yrs but under 15 yrs service = £174
 - Over 15 yrs but under 20 yrs service = £260
 - Over 20 yrs but under 25 yrs service = £352
 - Over 25yrs service = £429
- Retirement awards for :-
 - Over 15 yrs but under 20 yrs service = £260
 - Over 20 yrs but under 25 yrs service = £352
 - Over 25yrs service = £429

This means for example that an employee who chooses to leave the authority (for other work elsewhere) with between 10 & 15 years service will receive a service award payment of £174 on termination.

The new policy proposes to delete this element of the policy as in effect it is rewarding employees who choose to leave for other employment. In the last four years we have paid out £5750 for this element of the policy.

It also means that a retiring employee who leaves with 15 yrs service would be eligible for both awards (£260 x 2 = £520) It should be noted that there are no specific budgets for these awards and each service area has to find the money from within existing budgets.

3.3 The New Scheme.

The new scheme has been reviewed at the Employee Liaison Group which includes members of the Leadership Team and UNISON representatives and the proposed new payment details can be seen in **Appendix A**

The aim is to reduce overall costs to the authority and to simplify payments.

Nature of Awards

An award shall take the form of durable article/articles chosen from an approved list of suppliers, to an amount as specified below.

- 25 years Service Award - £150
- 40 years Service Award - £150
- Retirement Award - £100 (after 20+ years service)

4 Consultation

4.1 This has taken place with Employee Liaison Group (which includes UNISON representatives) and Leadership Team

5 Financial Implications

5.1 There is a financial saving linked to this change.

6 Strategic Implications

6.1 None Identified

7. Human Rights Issues

7.1 None identified

8. Risk Management Issues

8.1 As this is a contractual change we are required to provide 12 weeks notice and inform all employees.

SCHEME FOR THE PRESENTATION OF SERVICE AND RETIREMENT AWARDS

Lichfield District Council acknowledges the valuable contribution made by all staff, but in particular likes to acknowledge the loyalty from its long serving employees. The scheme below recognises service covering from 20 years upward and takes effect on 1st January 2010

25 year and 40 year Service Award

Eligibility

All permanent employees of Lichfield District Council shall be eligible to qualify for a 25 year Service Award, and for this purpose the following will be included:

- Service with any other Local Authority from which the employee has been transferred as a result of TUPE.
- Periods of sick leave, maternity leave or special leave whether paid or not, so long as employment continues for a minimum period of 3 calendar months following the leave.

If, having completed 25 years service the employee reaches 40 years service, they will become entitled to another Service Award.

N.B. There is no entitlement to a **service award** for employees who leave before completing 25 years service.

Retirement Award

Eligibility

A Retirement Award will be made to an employee who takes permanent retirement after **20 or more years'** continuous service to Lichfield District Council.

Nature of Awards

An award shall take the form of durable article/articles chosen from an approved list of suppliers, to an amount as specified below.

25 years Service Award - £150
40 years Service Award - £150
Retirement Award - £100

The Employee Liaison Group will review the above amounts on a regular basis.

An employee reaching 25 or 40 years service at the same time as taking their retirement will be entitled to both a Service and Retirement Award.

DISQUALIFICATION

Any employee dismissed from the service of the Council through the Disciplinary or Capability Procedure will lose any entitlement to a Service Award.

ADMINISTRATION

The Personnel Manager will be responsible for the administration of the Scheme. Employees entitled to a Service or Retirement Award will be automatically contacted by Personnel Services.