

**Voluntary Redundancy Guidelines**

**A Voluntary Redundancy**

1. **Purpose and Principles**

1.1 The College is committed to creating as secure an employment environment as possible and will therefore endeavour to avoid compulsory redundancies wherever it can. It is recognised however, that circumstances may arise which result in the College seeking to effect a reduction in employees or change of services it provides. These circumstances may be brought about by operational needs, sector or business requirements, financial restraints or other organisational issues. In these circumstances the College may seek volunteers for redundancy.

1.2 This policy is effective only from **23rd April 2015** and will cease with effect from **Friday 8th May 2015 at 5pm.** After this date, this policy may be extended or withdrawn and/or will revert to the standard operational procedures in relation to the handling of redundancy.

**2. Procedures**

2.1 Every employee is invited to indicate their willingness to be considered for voluntary redundancy. The Senior Leadership Team supported by the Head of Human Resources will review applications received and a decision will be made.

2.2 The invitation from the College or an indication of willingness to be considered for voluntary redundancy from an employee will not imply any commitment on either part.

**2.3 Management Decision**

2.3.1 Employees who apply for voluntary redundancy are not guaranteed to have their application accepted.

2.3.2 Management reserves absolute discretion to decide whether or not to accept any individual application for redundancy.

2.3.3 The decision as to whether or not to accept a particular application will depend on the College’s need to retain the types of knowledge and skills that are believed to be essential to meet its future business aims, the need to retain a balance of people with different skills, or in the event that more applications than required are received, the financial cost of severance pay and the overall situation at the time.

2.3.4On the grounds of affordability the College will not allow early or premature retirement pursuant to any pension scheme nor will it make any discretionary pension strain compensation payments.

2.3.5 Management’s decision on whether or not to accept or reject any particular application is final. There is no right of appeal against a decision to reject or refuse an application.

**2.4** Any offer of voluntary redundancy will be formally confirmed in email / writing and if accepted will be implemented according to the agreement between the employee and the College.

**2.5** Indicating an interest in voluntary redundancy will not prejudice an individual’s continuing employment in any way.

**2.6** **Statutory Payments**

2.6.1 Statutory redundancy payments are expressly exempt from income tax. They will, however be taken into account in determining whether or not the total compensation paid to an employee exceeds the £30,000 tax-free limit.

2.6.2 Non-statutory redundancy payments are also taxable only to the extent that they exceed the £30,000 limit.

2.6.3 Payments that are not genuinely made to compensate for loss of employment through redundancy will however be taxable. For example, payments made for past services, payments for extra work in the period leading up to redundancy, and loyalty payments conditional on continued service for a time after the issue of the redundancy notice will be taxable.

2.6.4 Employees will not be entitled to be paid for such things as unused but accrued holiday but are encouraged to take their leave prior to leaving, where practicable. Such payments will not be tax free, as they are not compensation for loss of employment.

**2.7 Voluntary Redundancy Application Process**

2.7.1 To apply for Voluntary Redundancy all you need to do is confirm your request in writing by completing the application form provided as **Appendix 1** and submitting this either via email to [consultation@](mailto:consultation@)wlc.ac.uk or by post, marked addressee only, to Kerry McEyeson, Head of Human Resources, at the Hammersmith Campus.

2.7.2 The application will need to be received by the VR inbox or the Head of Human Resources by the closing date of **Friday 8th May 2015 at 5pm.** Applications received after this initial date may not be considered.

2.7.3 Once you submit your application to the VR inbox you will receive confirmation of receipt of your request. The Head of Human Resources or another member of the HR Team may contact you and seek further clarification if appropriate.

2.7.4 Any application for Voluntary Redundancy received will be discussed with the relevant Senior Leadership member before a decision made.

2.7.5 A Voluntary Redundancy panel may be convened which may include the Principal and Chief Executive and/or, a Senior Leadership Team Member and Head of Human Resources. The panel will consider the applications received and make a decision whether to approve and the leaving date or to reject the application. Discussion and a decision may be reached without convening a formal meeting.

2.7.6 Employees with the lowest cost to release them from their contracts will be considered first in order to minimise the costs the College will incur. This will be especially relevant where we receive requests from two members of staff from the same area where there is little to differentiate between the two individuals other than the cost.

**3.0 Voluntary Redundancy Payments**

**3.1** The College will, in the case of voluntary redundancy, make a redundancy payment equal to the amount of the employee’s gross weekly pay at termination of employment multiplied by the qualifying weeks in accordance with the statutory calculation of qualifying weeks using age and continuous service **(as set out in Appendix 2)**.

**3.2** On an individual basis the College will hold discussions as to whether an early release may be granted. For this purpose continuous service shall be deemed to continue until the actual termination of employment or (in cases where there has been pay in lieu of notice) the date upon which lawful notice of termination would have expired.

**3.3** Full details appropriate to each case will be made available to individuals should they be accepted onto the voluntary redundancy scheme. When calculating length of service for the purpose of voluntary redundancy, the maximum allowable length of service is 20 years and only complete full years of continuous service will be included in the calculation.

**3.4** Certain termination payments may not be subject to tax if, in aggregate, they do not exceed £30,000. The taxable status of all termination payments will be determined by the Executive Director Finance & Resources in accordance with HMRC guidelines, on a case-by-case basis. However, should the College be called upon to account to the HMRC for any income tax or national insurance contributions, interest and / or penalties thereon arising in respect of the severance payment or other benefits conferred as part of a redundancy process, and if the College pays the excess tax to HMRC the individual will then have to immediately pay the College an amount equal to the said tax.

**3.5** Once a termination date has been agreed by all parties, and upon acceptance of the Voluntary Redundancy compensation package, employees may be required to enter into a settlement agreement as a condition of accepting his/her application to take voluntary redundancy. In this instance legal advice and guidance will be sought by all employees affected, paid for by the College through an independent legal advisor (sourced by the employee) up to a maximum of £250 plus VAT.

**B: Voluntary Redundancy Terms and Application**

Subject to you complying in full with the following contractual terms and conditions and process, the College will pay you within 14 days of the termination date, a redundancy payment together with a payment in respect of any outstanding notice pay (pay in lieu of notice). It is particularly important that you recognise that failure to comply with paragraphs 1, 2 and 3 below may delay final payment to you.

1. You shall return to the College on or before your leaving date, all property, equipment (including laptop, computers and mobile telephones), records correspondence, documents files and other information (whether originals, copies or extracts) belonging to the College and you will not retain any copies.
2. You further undertake to return to the College on or before your leaving date all identity cards, car park passes and keys.
3. You shall ensure that by the leaving date, or earlier, you will complete any outstanding work, including but not limited to, completion of registers, student records, marking of course work and assignments.
4. Where possible you should take all outstanding leave prior to your agreed leaving date, and you must discuss and agree this with your Line Manager.
5. You understand that your termination of employment is on the grounds of voluntary redundancy and that any redundancy payment made is subject to compliance in full with the provisions of the Employment Rights Act 1996 as amended by the Redundancy Payments (Continuity of Employment in Local Government etc (Modification) order 1999.
6. You understand that your request for voluntary redundancy constitutes a termination of your contract of employment at your request and by mutual consent.
7. If you do take a new job with a Modification Order body, the statutory provisions relating to a trial period in the Employment Rights Act 1996 will apply. Therefore, if you decide not to continue with a job during the first 4 weeks, you will be able to terminate the contract (whether with or without notice) and receive a redundancy payment from the College.
   1. You undertake to notify the College in writing if you are offered, or take up, any such new job. You understand that if you fail to notify the College in accordance with the above that you will be required to repay any redundancy payment to the College. You also understand that you will be in breach of the Law and may be liable to prosecution.

8. You understand that it is College Policy that where an employee leaves the College on the grounds of redundancy, they will not be re-employed by the College in any capacity for a period of up to and including 24 months from the date of leaving.

Guidelines End