

FACT SHEET ON DISCRETIONARY TRANSFER SCHEME

Applicable to staff not at risk of redundancy under the University's Proposal for Change

In consultation with the recognised trades unions, the University has developed a Discretionary Transfer Scheme ("DTS") which will be open to those staff who are **not** at risk of redundancy under the University's Proposal for Change. The purpose of the DTS is to avoid the redundancy of an employee who is at risk of redundancy under the Proposal for Change by his/her filling the post of another employee who is not at risk but who may wish to leave the University voluntarily. The terms for the DTS will be subject to the approval of the University's Council when it meets on 26 March 2010. The terms of the DTS to be put to Council for approval are as follows:

I **General Terms: *please also see exceptions in sections II, III & IV below***

1. The scheme that the University will offer to staff not at risk of redundancy in the University (subject to Council approval) will be a Discretionary Transfer Scheme ("DTS").
2. An employee who is *not* at-risk of redundancy under the University's Proposal for Change may apply for Early Retirement/Voluntary Severance ("ER/VS") under the DTS (a person called "the Discretionary Leaver").
3. Acceptance by the University of an application from a Discretionary Leaver under the DTS will be subject to certain criteria being met as detailed below.
4. It will be necessary for an at-risk employee under the University's Proposal for Change to be transferred (a person called a "Transfer Employee") into a Discretionary Leaver's post (where deemed suitably qualified by the University to perform the full duties of the post), thus avoiding a redundancy from the at-risk group;
5. The ER/VS cost to the University for a Discretionary Leaver (including the cost of any Early Retirement Funding Charge from USS or Early Retirement Funding Payment to USPAS) cannot be greater than the ER/VS cost (including Early Retirement Funding costs as above) to the University of the at-risk employee who would take up the Discretionary Leaver's post. In the event that the cost was greater to the University for a Discretionary Leaver than the at-risk employee, the application from the Discretionary Leaver would either be rejected or capped at the ER/VS cost to the University (including Early Retirement Funding costs) of the at-risk employee. NB This cap will be subject to a discretionary margin to be applied by the University of £5,000.
6. An employee who is due to leave the University by reason of retirement on or before 30 September 2010, subject to operation of the University's retirement procedure, can make an application under the DTS, but that application is unlikely to be accepted by the University if there is no business case or strategic reason to replace this employee following his/her anticipated retirement.
7. Where a Transfer Employee moves into a lower graded vacancy under the DTS, they will be paid in accordance with the grade for the Discretionary Leaver's post (i.e. the University's Pay Protection Policy will not apply). This is because the University will already have paid severance costs to the Discretionary Leaver in

order to create the vacancy for the Transfer Employee. NB The University will apply the Pay Protection Policy where an at-risk employee under the University's Proposal for Change is redeployed to a post that became vacant due to normal staff turnover or which is a new post. This is because a severance payment will not have been paid in this instance.

8. The Vice-Chancellor's Executive Group will have sole discretion in determining whether an at-risk employee under the University's Proposal for Change could be appointed to the post of the potential Discretionary Leaver.
9. The Vice-Chancellor's Executive Group will have sole discretion in accepting or turning down an application for a Discretionary Leaver and in determining the leaving date for the Discretionary Leaver. The last day of employment for a Discretionary Leaver will be mutually agreed and no notice or pay in lieu of notice will apply.
10. An employee whose application to be a Discretionary Leaver was turned down by the Vice-Chancellor's Executive Group will not be able to appeal this decision.
11. A Discretionary Leaver will be required to enter into a compromise agreement with the University; the University will pay the employee's legal fees of up to £300 (excluding VAT) incurred in connection with his/her taking advice as to the effects of entering into a compromise agreement.
12. A Discretionary Leaver will not normally be re-employed by the University within a two-year period from his/her date of termination.
13. The terms of payment for a Discretionary Leaver will be the relevant payment terms set out in sections I A to IV below, subject to:
 14. (i) the cost to the University of the ER/VS of the Discretionary Leaver being no more than the cost would have been to the University of the ER/VS for the Transferred Employee including the cost of any Early Retirement Funding Change/Payment under USS/USPAS (subject to a discretionary margin to be applied by the University of £5,000; and
 - (ii) where the Discretionary Leaver is aged under 55 and a member of USS, he/she will not be able to draw his USS pension on leaving the University due to USS changes coming into force on 6 April 2010 whereby early retirement except in the case of redundancy (redundancy as defined in USS rules) will not be granted to employees under age 55; or
 - (iii) where the Discretionary Leaver is aged under 55 and a member of USPAS, he/she will not be able to draw his USPAS pension on leaving the University due to USPAS rule changes coming into force on 6 April 2010 whereby early retirement will not be granted to employees under age 55.
15. **The DTS will be open for a limited period, with effect from 29 March until 16 April 2010 inclusive.**
16. **The University will formally advertise the DTS and invite applications; decisions on whether an applicant will be accepted or not as a Discretionary Leaver will be made during the period 19 April to 30 April 2010.**

IA General Terms of Payment: *please also see exceptions in sections II, III & IV below*

1. An employee who is *not* at risk of redundancy under the University's Proposal for Change, but who wishes to leave the University and who believes that his/her post could be filled by an employee who is at-risk of redundancy under the Proposal for Change will be eligible to apply for ER/VS under the DTS.
2. For an employee accepted for ER/VS, an ER/VS Payment will be made, subject to the provisions set out below.
3. The ER/VS Payment will be made at two times the Statutory Redundancy Calculator, to be applied to an employee's actual weekly pay rather than capped at the statutory maximum for a week's pay. There will be a minimum ER/VS Payment of the greater of: (i) £5,000 (pro-rata for part-time staff); or (ii) three month's actual salary (i.e. the pro-rata equivalent of the full-time salary, in the case of part-time staff).
4. An employee's actual weekly pay will be calculated as 1/52nd of the employee's contractual basic annual salary, as at the termination date of their employment.
5. The ER/VS Payment will be inclusive of any statutory redundancy pay that is due.
6. The ER/VS Payment will be paid after issue of the Employee's P45.
7. Subject to tax rules current at the time, for an ER/VSP up to and including £30,000¹, no deductions will be made for tax or employee national insurance contributions; for an ER/VSP in excess of this amount, income tax at basic rate will be deducted.

II Terms of payment applicable to those staff ² in USS for whom an Early Retirement Funding Charge would be liable for payment by the University to USS on their being made redundant.

1. The terms of payment set out in section I A, points 1 to 7 will apply, subject to the cost of the USS Early Retirement Funding Charge being offset by the University against the ER/VSP.
2. The offset will not reduce the ER/VS Payment to an amount less than the greater of: (i) a payment of one times the Statutory Redundancy Calculator, to be applied to the employee's actual weekly pay rather than capped at the statutory maximum for a week's pay (ii) £5,000 (pro-rata for part-time staff); or (iii) three month's actual salary (i.e. the pro-rata equivalent of the full-time salary, in the case of part-time staff).
3. The above terms are subject to USS's acceptance of an employee for early retirement, in accordance with USS rules that apply (including USS's definition of redundancy) and which may change from time to time.

¹ To include any pay that may be made in lieu of notice and for which it was deemed that tax did not need to be deducted

² Staff aged 50 or more but under age 60 who have 5 years' pensionable service in USS.

III Terms of payment applicable to those staff ³ in USPAS for whom the University would make an Early Retirement Funding Payment to USPAS on their being made redundant.

1. The terms set out in section I A, points 1 to 7 will apply, subject to the cost of the Early Retirement Funding Payment to USPAS being offset by the University against the ER/VS Payment. The Early Retirement Funding Payment will be calculated on the same basis as that for the USS Early Retirement Funding Charge.
2. This offset will not reduce the ER/VS Payment to an amount less than the greater of: (i) a payment of one times the Statutory Redundancy Calculator, to be applied to the employee's actual weekly pay rather than capped at the statutory maximum for a week's pay; (ii) £5,000 (pro-rata for part-time staff); or (iii) three month's actual salary (i.e. the pro-rata equivalent of the full-time salary, in the case of part-time staff).
3. The above terms are subject to USPAS' acceptance of an employee for early retirement, in accordance with USPAS rules that apply and which may change from time to time.

IV (i) Staff at risk of redundancy under the University's Proposal for Change who will be aged 50 to 59 at 31 July 2010 who were formerly in USPAS and who opted to defer their pension in USPAS and join USS as a direct result of the implementation of the Framework Agreement; and (ii) staff at risk of redundancy under the University's Proposal for Change who are in USPAS, will be aged 50 – 54 at 31 July 2010 and will not be able to draw their pension due to an USPAS rule change coming into effect on 6 April 2010.

1. The terms of payment set out in section I A, points 1 – 7 will apply subject to the ER/VS Payment referred to in section I A, point 3 being calculated at three times the Statutory Redundancy Calculator, to be applied to an employee's actual weekly pay rather than capped at the statutory maximum week's pay. There will be a minimum ER/VS Payment of the greater of: (i) £5,000 (pro-rata for part-time staff); or (ii) three month's actual salary (i.e. the pro-rata equivalent of the full-time salary, in the case of part-time staff).
2. These employees will not be able to draw their pensions (i.e. will not be eligible for early retirement) on leaving the University under the terms of the ER/VS Scheme because of USS and/or USPAS rules. Any application made at a later date by the former employee, as a deferred member to the relevant pension scheme for early retirement would be subject to the rules of USS or USPAS respectively at such time on the granting of early retirements.

If you would like to have an informal discussion about how the DTS may help you, please complete the form attached to the covering letter to this fact sheet and return it to Kerry Henn, Personnel Officer, 3rd floor, Sussex House. Kerry will contact you to arrange a meeting for you with a Personnel Officer.

If you have any queries regarding this fact sheet, please contact Kerry Henn at K.Henn@sussex.ac.uk.

³ With effect from 6.4.10, staff aged 55 or more but under age 60 with pensionable service in USPAS

The terms of this fact sheet describe voluntary and ex gratia arrangements to be introduced by the University, subject to Council approval, in the context of the University's Proposal for Change. These arrangements do not have any contractual effect, and do not create contractual entitlements for any staff. The University makes no commitment to making these or similar terms available in the future.

Human Resources/25 March 2010