

## **VOLUNTARY SEVERANCE POLICY AND PROCEDURE**

### **1 INTRODUCTION**

Whilst the University expects its employees and staff to comply with this policy, it does not confer contractual rights or form part of any contract of employment and may be amended by the University or replaced at any time following appropriate consultation and negotiation with recognised trade unions. Breach of this policy may be addressed via the University's Disciplinary Policy and Procedure and Code of Conduct.

This policy will be reviewed by the Human Resources department on a 3-year basis or amended in response to changes in future legislation and/or case law.

### **2 OWNERSHIP**

The Human Resources department owns and manages this policy on behalf of The University of Northampton.

### **3 ORGANISATIONAL SCOPE**

This Voluntary Severance policy is a corporate policy and applies to all employees with at least 2 years' service of The University of Northampton.

### **4 POLICY STATEMENT**

- 4.1 This policy is intended to provide a consistent, objective, fair and non-discriminatory approach to voluntary severance which may be used as part of organisational restructuring and to limit compulsory redundancies.

### **5 KEY PRINCIPLES**

- 5.1 Although the university may seek volunteers as a means of avoiding compulsory redundancies, any application to leave voluntarily is the employee's choice.

- 5.2 The University is under no obligation to accept any application made.
- 5.3 Applications for voluntary severance may be sought in specific areas of the University as required.
- 5.4 The circumstances giving rise to applications in taking voluntary severance shall normally be when the University requires an element of restructuring which may include deletion of individual posts.
- 5.5 Employees must have a minimum of 2 years' service to apply for voluntary severance.
- 5.6 Previous service with other employers will not be recognised for the purpose of voluntary severance calculations. The severance payment will be based on an employee's length of service with the University of Northampton only.
- 5.7 The voluntary severance scheme is separate to the University Redundancy Policy and Procedure
- 5.8 The severance payment must be arranged via a Settlement Agreement on which independent legal advice should be sought. The University will pay up to £250 towards legal fees on behalf of the employee.
- 5.9 Any employee interested in voluntary severance may wish to seek pension advice.
- 5.10 The Redeployment Procedure will not apply for those employees who have been accepted for voluntary severance.
- 5.11 Unauthorised audio recording of conversations is prohibited. Anyone in breach of this may be subject to disciplinary action.

## **6 PROCEDURE**

- 6.1 When a need arises, the University will notify employees employed within eligible areas that applications for voluntary severance will be considered. This may either be prior to a redundancy consultation exercise or may run concurrently.
- 6.2 If an employee decides to apply for voluntary severance, they should email their HR contact to confirm by the designated date. A member of HR will provide a voluntary severance estimate to employees as soon as possible. A request for a voluntary severance estimate will not be prejudicial if the employee decides not to apply for voluntary severance.
- 6.3 Applications will be considered by the Dean/Director and a HR Business Partner.
- 6.4 Applications will be considered against the following criteria but financial considerations will be prioritised:
- How easy would it be to replace the employee's specialist knowledge?
  - Would a compulsory redundancy be prevented by accepting the voluntary severance application?
  - The financial cost and, if applicable, the pension strain cost.
  - What would the impact be on the student experience?
  - What would the impact be on the rest of the team?
- 6.5 Where the number of applications exceeds the staff reduction required, a selection process based on the criteria above will be necessary to determine which applications will be accepted.
- 6.6 Employees who have applied for voluntary severance will be informed of the outcome within 2 weeks of the closing date for applications.
- 6.7 Where an application is accepted, a meeting will normally be arranged with the employee to confirm next steps e.g. timeframes, notice period.

- 6.8 The severance payment will mirror the statutory redundancy pay but will be enhanced as follows:
- 1 week's pay for each full year of service under age 22
  - 1.5 week's pay for each full year of service between age 22 and 41
  - 2 week's pay for each full year of service over age 41
- 6.9 For the purposes of calculating a week's pay, the government issued rates for weekly pay will apply. These are capped and are annually reviewed.
- 6.10 The number of years' service will be capped at the statutory maximum of 20 years.
- 6.11 Current legislation allows a severance payment of up to £30,000 without any deduction for tax or national insurance (subject to change). Any payment above this amount will be subject to normal tax and national insurance deductions upon payment.
- 6.12 Where voluntary severance is agreed, the employee will not normally be re-employed by the University for the following 5 years unless it is for a specific short-term project for which no other resource can be found.
- 6.13 Employees exiting the organisation via voluntary severance will normally be expected to take any annual leave that has been accrued but not yet taken before their leave date.

## **7 ASSOCIATED DOCUMENTS**

- 7.1 Redundancy Policy and Procedure  
Redeployment Policy and Procedure

## **8 EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment must accompany this document.

## **9 VERSION CONTROL**

<b>Version Control</b>		<b>Approval record</b>	
Author:	HR	Approval:	TU Liaison – 19/03/19 UMT – 26/03/19
Date written:	February 2019	Updates:	NA
Current status:	Approved	Approval of revision	NA
<b>Record of Amendments</b>			
Date	Version number	Details of Change	Approval
February 2019		Put into new template and reworded. Revised method for calculating payment introduced. Changed from percentage of gross salary to using an enhanced version of statutory redundancy calculations which is a widespread method and has a positive improvement for employees with lower salaries.	