

Comparing Statutory Redundancy, Compensation and Pension Strain Cost to Exit Cap

(Strain) Cost of early release of pension unreduced (estimate of 55 year old – will vary across LGPS funds)

Numbers below use Discount rate 5.1%, CPI 2.7%, Pay 4.2%

(SR) Statutory Redundancy = Statutory weeks x pay (up to £538pw)

(Sev) Compensation for severance payment (includes statutory redundancy)

Calculated by: [redundancy stat weeks] x [actual pay] x 1.5 (typical example – will vary across employers)

PLEASE NOTE THE FIGURES ARE NOT COMPLETELY ACCURATE BUT GIVES AN IDEA ON HOW WORKERS CAN BE AFFECTED.

Strain plus Statutory Redundancy vs. Cap

	PAY	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL
		25K			30K			40K			50K			75K			100K			150K		
Service Yrs	2	£7,123	£1,442	£8,565	£8,547	£1,614	£10,161	£11,396	£1,614	£13,010	£14,245	£1,614	£15,859	£21,368	£1,614	£22,982	£28,490	£1,614	£30,104	£42,735	£1,614	£44,349
	5	£17,813	£3,606	£21,419	£21,376	£4,035	£25,411	£28,501	£4,035	£32,536	£35,627	£4,035	£39,662	£53,440	£4,035	£57,475	£71,254	£4,035	£75,289	£106,880	£4,035	£110,915
	10	£30,509	£7,212	£37,721	£36,611	£8,070	£44,681	£48,814	£8,070	£56,884	£61,018	£8,070	£69,088	£91,527	£8,070	£99,597	£122,035	£8,070	£130,105	£183,053	£8,070	£191,123
	15	£39,878	£10,577	£50,455	£47,854	£11,836	£59,690	£63,805	£11,836	£75,641	£79,756	£11,836	£91,592	£119,635	£11,836	£131,471	£159,513	£11,836	£171,349	£239,269	£11,836	£251,105
	20	£43,456	£12,981	£56,437	£52,148	£14,526	£66,674	£69,530	£14,526	£84,056	£86,913	£14,526	£101,439	£130,369	£14,526	£144,895	£173,825	£14,526	£188,351	£260,738	£14,526	£275,264
	25	£49,238	£12,981	£62,219	£59,086	£14,526	£73,612	£78,781	£14,526	£93,307	£98,476	£14,526	£113,002	£147,714	£14,526	£162,240	£196,952	£14,526	£211,478	£295,428	£14,526	£309,954
	30	£55,020	£12,981	£68,001	£66,024	£14,526	£80,550	£88,082	£14,526	£102,608	£110,039	£14,526	£124,565	£165,059	£14,526	£179,585	£220,079	£14,526	£234,605	£330,118	£14,526	£344,644
35	£60,801	£12,981	£73,782	£72,962	£14,526	£87,488	£97,282	£14,526	£111,808	£121,603	£14,526	£136,129	£182,404	£14,526	£196,930	£243,206	£14,526	£257,732	£364,808	£14,526	£379,334	

Strain plus Severance (inc. Statutory Redundancy) vs. Cap

	PAY	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL	STRAIN	SR	TOTAL
		25K			30K			40K			50K			75K			100K			150K		
Service Yrs	2	£7,123	£2,163	£9,286	£8,547	£2,596	£11,143	£11,396	£3,462	£14,858	£14,245	£4,327	£18,572	£21,368	£6,490	£27,858	£28,490	£8,654	£37,144	£42,735	£12,981	£55,716
	5	£17,813	£5,409	£23,222	£21,376	£6,490	£27,866	£28,501	£8,654	£37,155	£35,627	£10,817	£46,444	£53,440	£16,226	£69,666	£71,254	£21,635	£92,889	£106,880	£32,452	£139,332
	10	£30,509	£10,817	£41,326	£36,611	£12,981	£49,592	£48,814	£17,308	£66,122	£61,018	£21,635	£82,653	£91,527	£32,452	£123,979	£122,035	£43,269	£165,304	£183,053	£64,904	£247,957
	15	£39,878	£15,865	£55,743	£47,854	£19,038	£66,892	£63,805	£25,385	£89,190	£79,756	£31,731	£111,487	£119,635	£47,596	£167,231	£159,513	£63,462	£222,975	£239,269	£95,192	£334,461
	20	£43,456	£19,471	£62,927	£52,148	£23,365	£75,513	£69,530	£31,154	£100,684	£86,913	£38,942	£125,855	£130,369	£58,413	£188,782	£173,825	£77,885	£251,710	£260,738	£116,827	£377,565
	25	£49,238	£19,471	£68,709	£59,086	£23,365	£82,451	£78,781	£31,154	£109,935	£98,476	£38,942	£137,418	£147,714	£58,413	£206,127	£196,952	£77,885	£274,837	£295,428	£116,827	£412,255
	30	£55,020	£19,471	£74,491	£66,024	£23,365	£89,389	£88,082	£31,154	£119,236	£110,039	£38,942	£148,981	£165,059	£58,413	£223,472	£220,079	£77,885	£297,964	£330,118	£116,827	£446,945
35	£60,801	£19,471	£80,272	£72,962	£23,365	£96,327	£97,282	£31,154	£128,436	£121,603	£38,942	£160,545	£182,404	£58,413	£240,817	£243,206	£77,885	£321,091	£364,808	£116,827	£481,635	