



Deputy P L Gillson
Le Neuf Clos
Rue du Clos
St Sampson
GUERNSEY
GY2 4FN

9th September 2013

Dear *Cher*

**FURTHER CORRESPONDENCE ARISING FROM RULE 6 QUESTIONS ABOUT
STAFF EXITING THE STATES**

In our recent responses to you supplying information which we believed you were seeking around the cost of staff exiting the States of Guernsey in circumstances facilitated by compromise agreements, we did not include the cost of staff who have been made redundant during the period concerned because redundancies are subject to contractual arrangements and are not generally associated with compromise agreements.

However, following your recent e-mail exchanges with Deputy Le Tocq I am now happy to provide the following information.

During the period from January 2008 to 31st May 2013, twenty two staff were made redundant across the States, eleven of these were from the Health and Social Services Department, ten from the Home Department and one from another smaller Department.

The total cost of cash payments made to those individuals was £496,095.00.

In three cases only the employees were entitled to immediate payment of pension benefits based on enhanced service and this necessitated the Departments contributing a total of £862,631.00 into the Superannuation Fund to meet the cost.

In order to better understand the status of cash payments and pension enhancements I attach a copy of the rules explaining redundancy payments as they apply within the States. In this respect reference is often made, particularly in the media, to employees who are made redundant from particular Departments representing a "drain on the fund". The fact of the matter is the fund is not depleted at all, rather the fund is topped up in these circumstances to meet the cost incurred.

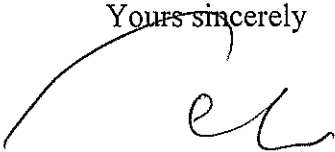
When considering figures associated with redundancies it is also important to note that a redundancy does not actually cost the States extra, rather the reduction in staffing levels leads to a recurring saving being made.

During the course of compiling these figures it became clear that there is one redundancy where a cash payment of £10,489.00 was made which had in error been included in the earlier figures describing those staff whose employment had been terminated outside of redundancy and therefore that figure must be deducted from the original figures we supplied.

I hope this provides the further information that you require but if there are additional figures that you seek it may well be helpful if you were able to sit down with key staff within the HR Department and myself or my Deputy and establish between us what further information you require and the practicalities and appropriateness of obtaining it.

While I am not copying this to all States Members, I am content for you to do so.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter A Harwood', written over a large, sweeping horizontal stroke that underlines the signature.

Deputy Peter A Harwood
Chief Minister

STATES OF GUERNSEY

REDUNDANCY ARRANGEMENTS

1. PROCEDURES

Common procedures for all States employees (civil servants, public service employees, nurses, teachers, police officers, firefighters etc).

The aim of the procedures is to avoid the need for compulsory redundancy through measures such as redeployment, reduction of overtime, voluntary redundancy etc.

2. PENSION BENEFITS

In the event of redundancy the following entitlements apply to those who have a minimum of 2 years' membership of the Public Servants' Pension Scheme:

- (a) those who are aged 60 or over:
 - immediate payment of their benefits based on their actual service.
- (b) those who are aged between 50 and 60 or who joined the Scheme before 1 August 1988 and are not yet 50:
 - immediate payment of their benefits based on their actual service plus the lesser of 5 years or the period to 60 or their reckonable service divided by 4.
- (c) those who are aged below 50 and who did not join the Scheme until 1 August 1988 (or later):
 - payment of benefits at age 60 based on actual service (unless the member chooses to take a lower amount at any age between age 50 and 60).

3. REDUNDANCY PAYMENTS

These apply to categories 2(a) and 2(c) above and are calculated as 5 weeks' pay for each completed year of service subject to a maximum of 100 weeks pay.

NB: The ages of 50 and 60 relate to "standard" members of the Public Servants' Pension Scheme who joined before 1 January 2008 for whom "pension age" is 60. Different ages apply to those who join from 1 January 2008 or "non-standard" members who have a different "pension age".