



Isle of Man

Ellan Vannin

**CONSOLIDATED REGULATIONS
PUBLIC SECTOR COMPENSATION
SCHEME 2013**

&

TEACHERS' COMPENSATION ORDER 2014

PUBLIC SECTOR COMPENSATION SCHEME 2013

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Public Sector Pensions Act 2011

PUBLIC SECTOR COMPENSATION SCHEME 2013

Approved by Tynwald: 19 March 2014

Coming into Operation: 13 January 2014

The Public Sector Pensions Authority makes the following Scheme under section 6 (1) (c) and (d) of the Public Sector Pensions Act 2011.

1 Title

This Scheme is the Public Sector Compensation Scheme 2013.

2 Commencement

This Scheme comes operation on 13 January 2014.

3 Revocation

The Interim Compensation Scheme 2012 is revoked.

4 Application and Interpretation

Application

4.1. (1) This Scheme applies to those persons serving in employment in the Isle of Man Public Service as set out in Schedule I to this scheme, including those serving under a contract for a fixed or limited term, except persons whose terms of appointment exclude them from the provisions of this Scheme.

(2) On behalf of the PSPA Employing Authorities will be responsible for the administration and application of the Voluntary Redundancy and Compulsory Redundancy terms and provisions of this scheme.

Definitions and Interpretation

4.2. In this section, unless otherwise stated –

“**Assumed Pay**” has the meaning set out in rule 4.3(2);

“**Compensation Lump Sum**” has the meaning set out in rule 8.1(e);

-
- “**Compulsory Departure Maximum**” has the meaning set out in rule 4.8;
- “**Compulsory Redundancy terms**” apply in the circumstances set out in instructions issued by the appropriate Employing Authority;
- “**Continuous Service**” means service or employment with one or more Employing Authorities without a break of more than 28 days and is calculated from the first day of work with an Employing Authority.
- “**Contractual Retirement Age**” means Age 65 years;
- “**Deemed Minimum**” will be such amount, not being less than £25,000, at the time this scheme is made. The Deemed Minimum will be adjusted on 1 April 2014 and annually each April thereafter by reference to the change in the Isle of Man Retail Price Index (all prices) published in March each year.
- “**Earned Pension**” means a pension calculated in accordance with rule 31 of GUS or rules 2 and 6 of the No. 1 Scheme at the time of Departure
- “**Employee**” means a Public Sector Employee;
- “**Employing Authority**” means the employer of a Public Sector Employee or, if the Employee is a public sector office holder, means the person for the time being paying the pay of the Employee;
- “**GUS**” means the Isle of Man Government Unified Scheme 2011
- “**Normal Minimum Pension Age**” means Age 55 years;
- “**Notional Severance Payment Period**” means where a person who received a lump sum compensation payment under previous compensation arrangements or under this scheme is reemployed as an Employee, part of that payment will be repayable if the period between the date of departure and the date of reemployment, is less than the notional period in terms of months or weeks of earnings represented by the compensation payment received;
- “**No.1 Scheme**” means the Superannuation (Manual Workers) (No.1) Scheme 1973.
- “**Part Time Tapering Sum**” means –
- $6 \times (A/B)$
- where –
- A is the length of the Employee’s Reckonable Service in years; and
- B is what would have been the length of the Employee’s Reckonable Service in years if the Employee had worked full time throughout the period of the Employee’s Service which reckons.
- “**Pay**” has the meaning set out in rule 4.3;
- “**Public Sector Employee**” means a person in respect of whom this scheme applies and in respect of whom the Public Sector Pensions Authority may make a scheme under section 6(1)(c) of the 2011 Act.

“**Reckonable Service**” has the meaning set out in rule 4.5;

“**Schedule III**” The rates set out in Schedule III are those rates that are in place on the effective date of this scheme but may, from time to time, be updated by the PSPA upon the advice of and after consultation with the Scheme Actuary.

“**Scheme**” means the Isle of Man Government Unified Scheme 2011;

“**Section**” means a section of Membership under the Isle of Man Government Unified Scheme 2011 by which the contributions and benefits payable in respect of a Member are to be determined.

“**Service**” has the meaning set out in rule 4.4;

“**Sick Pay at Pension Rate**” has the meaning set out in rule 4.3(4);

“**Statutory Redundancy Payment**” has the meaning set out in rule 8.9;

“**Tapering Maximum**” has the meaning set out in rule 4.10(1);

“**Tapering Sum**” has the meaning set out in rule 4.10(2);

“**Voluntary Departure Maximum**” has the meaning set out in rule 4.6;

“**Voluntary Redundancy terms**” apply:

- (a) in the circumstances set out in instructions issued by the Employing Authority; or
- (b) to those employees who apply for Voluntary Redundancy terms, whose application is declined but are subsequently subject to Compulsory Redundancy arising from the same redundancy consultation .

4.3. (1) “**Pay**” in relation to an Employee means the total of all salary, wages, allowances and other regular payments made to the employee on a permanent basis for the service in respect of which this Scheme applies to the employee, for the 12 month period prior to and including the last day of Reckonable Service.

This is subject to paragraphs (2) to (5).

“Pay” does not include--

- (a) Bonuses, performance or merit payments,
- (b) Payments made to cover expenses,
- (c) Payments for overtime, or
- (d) Call out payments

(2) If, on the last day of Reckonable Service, the circumstances specified in paragraph (3) apply, the Employee is to be treated as receiving or as having received Pay of an amount equal to that which the Employee would have received if those circumstances did not apply and in this Section the amounts that the Employee is treated as receiving or as having received under this paragraph are referred to as “Assumed Pay”.

(3) The circumstances are that the Employee is—

- (a) on secondment to a different employer or Employing Authority under an arrangement which provides for the provisions of this Scheme to continue to apply in respect of the Employee, although he or she is paid by that other employer or Employing Authority;
- (b) on sick leave on reduced pay;
- (c) receiving statutory maternity allowance;
- (d) on ordinary maternity leave;
- (e) on paternity leave;
- (f) absent from duty because of being called out or recalled for permanent service in the reserve forces or regular forces in pursuance of a call out order made under the Reserve Forces Act 1980 and 1982 (Isle of Man) Order 1986 or the Reserve Forces Act 1996 (Isle of Man) Order 2010;
- (g) receiving pay at a reduced rate in accordance with arrangements for the Employee required by the Employing Authority where he or she is entitled—
 - (i) to pension benefits under an occupational pension scheme other than GUS or Number 1 Scheme; or
 - (ii) to a payment under this Scheme, in respect of an earlier period of service; or
 - (iii) voluntarily surrendering Pay in whole or in part.

(4) For the purposes of paragraph (3)(b), “sick leave on reduced pay” does not include a period of leave during which the Employee receives Sick Pay at Pension Rate, that is the Employee is paid at a rate which his or her Employing Authority has determined to be appropriate because it is equivalent to the rate of the ill-health pension or pensions to which the Employee would be entitled under GUS if he or she had become entitled to such a pension or pensions on the day on which the leave paid at that rate began.

(5) Where the Employee’s Pay is less than the Deemed Minimum, his or her Pay will for the purposes of calculating the Employee’s lump sum in accordance with rules 6.4 or 7.4 be taken to be the Deemed Minimum.

4.4. (1) Subject to Rule 5.4 “**Service**” in relation to an Employee means the current period of Continuous Service in an employment to which this Scheme applies, including any period of that service during which the Employee is treated as having received Assumed Pay, any period of unpaid leave, any period of unpaid sick absence and any period during which the Employee receives Sick Pay at Pension Rate.

(2) The following periods do not count towards the Employee’s Service but do not result in that period of Service terminating —

-
- (a) any unauthorised absence; and
- (b) any break in the Employee's Service which lasts no more than 28 days.
- 4.5. (1) **“Reckonable Service”** in relation to an Employee has the same meaning as his or her Service except as provided for in paragraphs (5), (6) and (7).
- (2) Reckonable service for an Employee of the Department of Health includes continuous employment in a Registered Medical or Dental profession, as a Registered Nurse or a Registered Medical Profession aligned to Health Care for an employer with the following UK NHS Employers –
- (i) England
- NHS trusts including Foundation Trusts
 - Special health authorities
 - NHS England
 - Clinical commissioning groups
 - The Health and Social Care Information Centre
 - National Institute for Health and Clinical Excellence
- (ii) Northern Ireland
- HSC Board
 - HSC Trusts
 - Public Health Agency
 - Business Services Organisation
 - Patient and Client Council
 - HSC Special Agencies
- (iii) Scotland
- Health boards
 - Special health boards
- (iv) Wales
- NHS trusts
 - Local health boards
- (3) Reckonable service for an Employee employed as a Social Worker includes continuous employment within England, Wales, Scotland and Northern Ireland as a Social Worker and Registered with the Health and Care Professions Council.
- (4) (i) Reckonable service for an Employee employed in a Professional Capacity in a post in the Isle of Man Public Service to which this Scheme applies includes continuous employment in a Comparable Role within the public service of England, Wales Scotland or Northern Ireland, as determined by the Employing Authority.
- (ii) For the purposes of sub paragraph (4)(i) the following definitions apply:

-
- (a) “**Professional Capacity**” means a post for which defined skills, recognised professional qualifications and/or experience are required;
- (b) “**Comparable Role**” means a post for which the defined skills, qualifications and/or experience identified in (4)(ii)(a) are required.
- (5) Any previous periods of service in such employment do not count towards the Employee’s Service for other employment entitlement.
- (6) The following periods do not count towards an Employee’s Reckonable Service but do not result in that period of Reckonable Service coming to an end—
- (a) any period of unpaid leave;
- (b) any period of unpaid sick absence;
- (c) any period during which the Employee receives Sick Pay at Pension Rate.
- (7) If the Employee has been in part-time Service at any time during the period referred to in paragraph 4.5 (1) —
- (a) the period of Reckonable Service in respect of each period during which the Employee has been in part-time Service is calculated as follows —
- period during which the Employee has been in part-time Service =
- $(A/N) \times 52.2$ years, using the result to four decimal places
- where —
- A is the number of hours of the Employee’s part-time Service in the period in question, and
- N is the number of weekly full-time conditioned hours for a person in the Employee’s post;
- (b) If the number of those weekly full-time conditioned hours varies during the period in question, the calculation referred to in paragraph (8)(a) must be made separately for each period within the period of part-time Service in question during which that number remains the same.
- (8) (a) For the purposes of paragraph (7), Service and Reckonable Service are, subject to paragraph (10), to be expressed in complete years and days, with any part day rounded up to a full day.
- (b) Where periods of part-time Service calculated in accordance with paragraph (7) are to be expressed in complete years and days, the periods of part-time Service calculated in accordance with paragraph (7) are first added together and the resulting

number is then expressed in complete years and days, with any part day rounded up to a full day.

(9) Where Service or Reckonable Service are referred to in years, the days referred to in paragraphs (8)(a) and (8)(b) are converted into years by dividing the number of days in excess of the period of whole years by 365, and using the result to four decimal places.

(10) If a period of Service or Reckonable Service is less than one year, this rule applies as if the words “complete years and “, wherever they occur, were omitted from paragraph (8) and the words “in excess of the period of whole years “ were omitted from paragraph (9).

4.6. For the purposes of rule 6.2(b), the Voluntary Departure Maximum in respect of an Employee is –

(a) For Employee’s appointed before the effective date of this scheme and where he or she is below Contractual Retirement Age on his or her last day of Service, the lesser of

(i) the amount calculated by multiplying one-twelfth of the Employee’s Pay by 24; and

(ii) the Tapering Maximum;

(b) For Employee’s appointed on or after the effective date of this scheme who have completed 2 years Service and where the Employee is below Contractual Retirement Age on his or her last day of Service, the lesser of

(i) the amount calculated by multiplying one-twelfth of the Employee’s Pay by 18; and

(ii) the Tapering Maximum;

(c) For all Employees who have completed at least 2 years Service and are at or above their Contractual Retirement Age on his or her last day of Service, half of the Employee’s Pay.

This is subject to rule 4.7.

4.7. If the Employee has been in part-time Service at any time during the last 3 years of the Employee’s Reckonable Service, the Voluntary Departure Maximum in respect of the Employee is –

(a) where the Employee is below Contractual Retirement Age on his or her last day of Service, the lesser of

(i) the amount calculated by multiplying one-twelfth of the Employee’s Full Time Equivalent Pay by A/B by 24;

(ii) the amount calculated by multiplying one-twelfth of the Employee’s Full Time Equivalent Pay by the length of the Employee’s Reckonable Service in years; and

(iii) the Tapering Maximum;

(b) where the Employee is at or above Contractual Retirement Age on the Employee's last day of Service, half of the Employee's Full Time Equivalent Pay multiplied by A/B where –

A is the length of the Employee's Reckonable Service in years; and

B is what would have been the length of the Employee's Reckonable Service in years if the Employee had worked full time throughout the period of the Employee's Service which reckons.

4.8. For the purposes of rule 7.2(b), the Compulsory Departure Maximum in relation to an Employee is—

(1) For Employee's appointed before the effective date of this scheme and who are below Contractual Retirement Age on his or her last day of Service, the lesser of

(i) the amount calculated by multiplying one-twelfth of the Employee's Pay by 24; and

(ii) the Tapering Maximum;

(2) For Employee's appointed on or after the effective date and who are below Contractual Retirement Age on his or her last day of Service, the lesser of

(i) the Employee's Pay; and

(ii) the Tapering Maximum;

(3) Where the Employee is at or above Contractual Retirement Age on his or her last day of Service, half of the Employee's Pay.

This is subject to rule 4.9

4.9. If the Employee has been in part-time Service at any time during the last 3 years of the Employee's Reckonable Service, the Compulsory Departure Maximum in respect of the Employee is –

(a) where the Employee is below Contractual Retirement Age on his or her last day of Service, the lesser of

(i) the amount calculated by multiplying the Employee's Full Time Equivalent Pay by A/B;

(ii) the amount calculated by multiplying one-twelfth of the Employee's Full Time Equivalent Pay by the length of his or her Reckonable Service in years; and

(iii) the Tapering Maximum;

(b) where the Employee is at or above Contractual Retirement Age on his or her last day of Service, half of the Employee's Full Time Equivalent Pay multiplied by A/B

where –

A is the length of the Employee's Reckonable Service in years; and

B is what would have been the length of the Employee's Reckonable Service in years if the Employee had worked full time throughout the period of his or her Service which reckons.

- 4.10. (1) The Tapering Maximum in relation to an Employee is calculated by multiplying one-twelfth of the Employee's Pay by the Tapering Sum.
- (2) For the purposes of paragraph (1), the Tapering Sum is (subject to paragraph 3) 6 plus the number of whole months starting on (and including) the day after the Employee's last day of Service and finishing on (and including) the day before the Employee reaches Contractual Retirement Age.
- (3) (a) If the Employee is in part-time Service on his or her last day of Reckonable Service, the Tapering Sum is the number of months (rounded up or down to the nearest whole month in accordance with guidance issued by the Employing Authority) starting on (and including) the day after the Employee's last day of Service and finishing on (and including) the day before the Employee reaches Contractual Retirement Age plus the Part Time Tapering Sum rounded up or down to the nearest whole number in accordance with guidance issued by the Employing Authority.

This is subject to paragraph 3(b).

- (b) Before being rounded up or down the number of months referred to in paragraph (3)(a) shall first be multiplied by the percentage of full time hours the Employee's terms of service require the Employee to work.

5. Application of the Terms

Persons to whom Parts 6, 7, and 8 of this Section apply

- 5.1. (1) Parts 6, 7 and 8 of this Scheme apply to persons serving in employment in the Isle of Man Public Service and are identified in Schedule 1 including those serving under a contract for a fixed or limited term, except persons whose terms of appointment exclude them from the provisions of this Scheme.
- (2) In relation to a person serving under a contract for a fixed term which has no provision for early termination, the amount of compensation payable will be the greater of that calculated under Sections 6, 7 or a payment calculated by reference to Statutory Redundancy set out in rule 8.9.
- (3) The fact that an Employee is partially retired in accordance with the provisions relating to partial retirement of a Public Sector Pension

applicable to him or her does not make any difference to the application to the Employee of this Section.

Persons who are entitled to benefits from another scheme or arrangement when they leave Service

5.2. If—

- (a) any benefit becomes payable to an Employee under this Scheme; and
- (b) the Employee also receives a benefit from another scheme or arrangement as a result of the Employee leaving Service in the circumstances that qualify the Employee to receive a benefit under this Section,

the benefit payable to the Employee under this Section must be reduced by the amount of the benefit received by the Employee from the other scheme or arrangement.

Benefits payable in respect of a public servant not covered by Parts 6, 7 and 8 of this Section

5.3. If—

- (a) an Employee is serving in an employment or office described in Schedule II;
- (b) the Employee's terms of appointment exclude the Employee from the provisions of this Scheme; and
- (c) the Employee leaves Service in circumstances that would entitle the Employee to a redundancy payment under the Redundancy Payments Act 1990, but for section 14 of that Act,

the Employee is eligible for a lump sum of an amount equal to the redundancy payment that would be payable to the Employee under the Redundancy Payments Act 1990, but for section 14 of that Act.

Option to modify terms following a transfer of employment

5.4. Where, in consequence of any transfer of employment, a person becomes entitled to benefits under this Scheme, the Employing Authority may apply the rules of this Scheme to that person with any modifications which may be necessary to reflect—

- (a) the terms and conditions of employment relating to compensation for early retirement or severance transferred with such person; or
- (b) any undertaking by an Employing Authority given about compensation payments for early retirement or severance payable to such person.

6. Voluntary Redundancy Terms

- 6.1. This Part applies to an Employee if he or she —
- (a) has at least 2 years Service; and
 - (b) leaves Service in circumstances where Voluntary Redundancy terms apply.
- 6.2. If this Part applies to the Employee, he or she is eligible for a lump sum, which is the lesser of—
- (a) an amount calculated in accordance with rule 6.4; and
 - (b) the Voluntary Departure Maximum.
- 6.3. If the amount that would be calculated in accordance with Schedule 1 of the Redundancy Payments Act 1990 if —
- (a) the Employee had a right to a redundancy payment under section 1 of the Redundancy Payments Act 1990; and
 - (b) section 14 of that Act did not apply,
- is greater than the lump sum calculated in accordance with rule 6.4, the lump sum must be increased to that amount.
- 6.4. An amount is calculated under this rule by —
- (a) determining the length of the Employee's Reckonable Service in years; and
 - (b) multiplying one-twelfth of the Employee's Pay by the length of his or her Reckonable Service.
- 6.5. Subject to rule 6.8 if the Employee —
- (a) is a member of GUS or the No. 1 Scheme;
 - (b) has reached his or her Normal Minimum Pension Age when the Employee leaves Service; and
 - (c) opts to take an immediate Earned Pension under the rules of GUS or the No. 1 Scheme applicable to the Employee when he or she leaves Service;
- the Employee may opt for all or part of the lump sum payable to him or her under this Part to be paid by his or her Employing Authority to the PSPA to buy additional service at the rate set out in the table in Schedule III applicable to the member or such other rate as the PSPA may from time to time determine and publish after consultation with the Scheme Actuary.
- 6.6. If rule 6.5 applies the Employee is entitled to immediate payment of a Pension under rule 31 of GUS or rules 2 and 6 of the No. 1 Scheme, where Pensionable Service will include service purchased under rule 6.5 above. For members of GUS such a pension will be subject to rule 2.5 of GUS whereby the maximum level of pension payable before a pension has been commuted must not exceed 75% of the Member's Final Pensionable Pay.

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- 6.7. Subject to rule 6.8 if the Employee —
- (a) is a member of GUS or the No. 1 Scheme;
 - (b) is age 50 years or over but has not reached his or her Normal Minimum Pension Age when the Employee leaves Service;
- the Employee may opt for all or part of the lump sum payable to him or her under this Part to be paid by his or her Employing Authority to the PSPA to buy additional service at the rate set out in the table in Schedule III applicable to the member or such other rate as the PSPA may from time to time determine and publish after consultation with the Scheme Actuary.
- 6.8. An Employee who seeks to buy additional service under rules 6.5 or 6.7 may only buy an amount of service that is no greater than the equivalent number of years and days between their last day of service and the date of their 65th birthday.

7. Compulsory Redundancy Terms

- 7.1. This Part applies to an Employee if he or she —
- (a) has at least 2 years Service; and
 - (b) leaves Service in circumstances where Compulsory Redundancy terms apply.
- 7.2. If this Part applies to the Employee, he or she is eligible for a lump sum, which is the lesser of—
- (a) an amount calculated in accordance with rule 7.4; and
 - (b) the Compulsory Departure Maximum.
- 7.3. If the amount that would be calculated in accordance with Schedule 1 of the Redundancy Payments Act 1990 if—
- (a) the Employee had a right to a redundancy payment under section 1 of the Redundancy Payments Act 1990; and
 - (b) section 14 of that Act did not apply,
- is greater than the lump sum calculated in accordance with rule 7.4, the lump sum must be increased to that amount.
- 7.4. An amount is calculated under this rule by—
- (a) determining the length of the Employee's Reckonable Service in years; and
 - (b) multiplying one-twelfth of the Employee's Pay by the length of his or her Reckonable Service.
- 7.5. Subject to rule 7.8 if the Employee —
- (a) is a member of GUS, Teachers Superannuation Order 2011 or the No. 1 Scheme;

-
- (b) has reached his or her Normal Minimum Pension Age when the Employee leaves Service; and
 - (c) opts to take an immediate Earned Pension under the rules of GUS or the No. 1 Scheme applicable to the Employee when he or she leaves Service;

the Employee may opt for all or part of the lump sum payable to him or her under this Part to be paid by his or her Employing Authority to the PSPA to buy additional service at the rate set out in the table in Schedule III applicable to the member or such other rate as the PSPA may from time to time determine and publish after consultation with the Scheme Actuary.

- 7.6. If rule 7.5 applies the Employee is entitled to immediate payment of a Pension under rule 31 of GUS or rules 2 and 6 of the No. 1 Scheme, where Pensionable Service will include service purchased under rule 7.5 above. For members of GUS such a pension will be subject to rule 2.5 of GUS whereby the maximum level of pension payable before a pension has been commuted must not exceed 75% of the Member's Final Pensionable Pay.

- 7.7. Subject to rule 7.8 if the Employee –

- (a) is a member of GUS, Teachers Superannuation Order 2011 or the No. 1 Scheme;
- (b) is age 50 years or over but has not reached his or her Normal Minimum Pension Age when the Employee leaves Service;

the Employee may opt for all or part of the lump sum payable to him or her under this Part to be paid by his or her Employing Authority to the PSPA to buy additional service at the rate set out in the table in Schedule III applicable to the member or such other rate as the PSPA may from time to time determine and publish after consultation with the Scheme Actuary.

- 7.8. An Employee who seeks to buy additional service under rules 7.5 or 7.7 may only buy an amount of service that is no greater than the equivalent number of years and days between their last day of service and the date of their 65th birthday.

8. Re-Employment or Re- Appointment after Receiving Benefits under This Scheme

- 8.1. This Part applies to an Employee if –

- (a) a Compensation Lump Sum has been paid to the Employee, or the Employee has opted for the lump sum to be paid by his or her Employing Authority to GUS or the No. 1 Scheme;

-
- (b) after payment of the Compensation Lump Sum, the Employee commences work as an Employee to which this Scheme applies;
 - (c) the date on which the Employee commences work as described in paragraph (b) is before the last day of the Employee's Notional Severance Payment Period; and
 - (d) the length of time for which the Employee is in service in the work described in paragraph (b) is—
 - (i) at least 15 days in any 91 day period; or
 - (ii) for periods totalling in aggregate at least 15 days in any 91 day period.

A Compensation Lump Sum is a lump sum paid under the rules of former compensation arrangements or Parts 6 or 7 of this Scheme.

- 8.2. (1) the Employee's Notional Severance Payment Period is the length of time, expressed as a decimal number of years, found by applying the following formula—

$$A/B$$

where—

A is the amount of the Compensation Lump Sum; and

B is the Employee's Pay by reference to which the Compensation Lump Sum was calculated.

This is subject to paragraph (2).

(2) If the Employee was in part-time service on his or her last day of reckonable service, the Notional Severance Payment Period calculated in accordance with paragraph (1)(a), (b) or (c) is divided by (C/N)

where—

C is the number of hours the Employee was contracted to work each year;

and

N is the number of full-time hours per year for a person in the Employee's grade.

- 8.3. If this Part applies, the Employee must repay an amount of the Compensation Lump Sum calculated in accordance with the formula set out in rule 8.4 reduced, as necessary, in relation to 8.4(b), in accordance with rules 8.5, 8.6 and 8.7.

- 8.4. The amount that the Employee must repay is—

- (a) where the Employee commences work in an employment or office to which this Section applies less than 29 days after the date on which the Employee left Service on terms which qualified the Employee to receive the Compensation

Lump Sum, the full amount of that Compensation Lump Sum;

- (b) where the Employee commences work in an employment or office to which this Section applies 29 or more days after the date on which the Employee left Service on terms which qualified the Employee to receive the Compensation Lump Sum,

$C/D \times E$

where—

C is the Employee's Notional Severance Payment Period less the time (in years and days, expressed as a decimal number of years) between the date of the Employee's leaving Service on terms which qualified the Employee to receive the Compensation Lump Sum and the date of the Employee's re-employment;

D is the Employee's Notional Severance Payment Period; and

E is the amount of the Compensation Lump Sum.

- 8.5. The amount calculated under rule 8.4(b) is reduced to take into account the income tax paid by the Employee in relation to the Compensation Lump Sum.

- 8.6. If the Employee's annual rate of basic pay and allowances granted on a permanent basis at the date of re-employment is less than the Employee's Pay in relation to the service which the Employee left on terms which qualified the Employee to receive the Compensation Lump Sum, the amount calculated under rule 8.4(b), after applying rule 8.5 where relevant, is reduced to an amount calculated in accordance with the following formula—

$F/G \times H$

where—

F is the Employee's Pay as defined in rule 4.3 except that it is as at the date of the Employee's re-employment;

G is the Employee's Pay in relation to the service which the Employee left on terms which qualified the Employee to receive the Compensation Lump Sum; and

H is the amount calculated under rule 8.4(b), after applying rule 8.5 where relevant.

- 8.7. If the difference between the Compensation Lump Sum and the amount that the Employee is required to repay after applying rule 8.4(b) and, where relevant, rules 8.5 and 8.6, is less than the Employee's Statutory Redundancy Payment, then the amount that the Employee is required to

repay must be reduced, or further reduced, so that the difference is equal to the Employee's Statutory Redundancy Payment.

- 8.8. For the purpose of rule 8.7, the Employee's Statutory Redundancy Payment is the amount that would be calculated in accordance with Schedule 1 of the Redundancy Payments Act at the date when the Employee left service on terms which qualified the Employee to receive the Compensation Lump Sum if—
- (a) the Employee had a right to a redundancy payment under section 1 of the Redundancy Payments Act 1990 and
 - (b) section 14 of that Act did not apply.

MADE 13 January 2014

*Chairman
Public Sector Pensions Authority*

SCHEDULES

SCHEDULE I (Paragraph 4.1 & 5)

MEMBERS TO WHOM THIS SCHEME APPLIES

This Scheme Applies to the following Public Sector Employees:

- (a) Civil Servants as defined in the Civil Service Act 1990 (As amended);
- (b) the Officers or Employees appointed to or by the following Departments, Boards and Offices of Government:
 - Department of Community, Culture and Leisure
 - Department of Economic Development
 - Department of Education and Children
 - Department of Environment, Food and Agriculture
 - Department of Health:
 - Department of Home Affairs
 - Department of Infrastructure
 - Department of Social Care
 - Department of the Treasury
 - Communications Commission
 - Financial Supervision Commission
 - Gambling Supervision Commission
 - Insurance and Pensions Authority
 - Isle of Man Office of Fair Trading
 - Isle of Man Water and Sewerage Authority
 - Manx Electricity Authority
 - Manx National Heritage
 - Public Sector Pensions Authority
 - The Isle of Man Data Protection Supervisor
 - The Isle of Man Industrial Relations Officer
 - Staff of the Office of the Isle of Man Data Protection Supervisor
 - Staff of the Isle of Man Industrial Relations Office
 - The Clerk of Tynwald
 - Staff of the Clerk of Tynwald's Office
- (c) Employment by the Department of Education and Children and a member of, or eligible to be a member of the Teachers Superannuation Order 2011

SCHEDULE II

MEMBERS TO WHOM THIS SCHEME DOES NOT APPLY

The Following are excluded from the Provisions of this Scheme:

- (a) Those appointed to the office of:
 - Deemster
 - Attorney General
 - High Bailiff
 - Deputy High Bailiff
- (b) A Member of the Isle of Man Constabulary (including the Chief Constable)
- (c) Those Employed as Firefighters by the Department of Home Affairs;
- (d) A Medical officer or chaplain of an institution appointed under section 13 or 14 of the *Custody Act 1995*
- (e) Dental Practitioners, within the meaning of the National Health Service Act 2001, whose names are included in the dentists register and who also perform general dental services under a contract for services with the Department of Health that relate to the provision of general dental services under section 6 of the 2001 Act.
- (f) Registered Medical Practitioners, whose names are included in the medical practitioners list under Section 4 of the National Health Service Act 2011 and who perform essential services, additional services, enhanced services, commissioned services or certification services or a combination of those services under a GMS contract.
- (g) Persons directly employed by a Dental or Medical Practitioner.
- (h) Persons employed by Hospice Care.
- (i) Persons employed by Manx Radio.
- (j) Employment as a traffic warden under section 33 of the *Road Traffic Regulation Act 1985*.
- (k) Employment by the Department of Education and Children and:
 - as a member of the staff of the Centre referred to in the Education (Mentally Handicapped Children) Act 1973; or
 - as leader of a youth club provided, maintained or aided by the Department.

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- (l) Employment by the Department of Economic Development of persons with specialist knowledge of one or more areas of the private sector, with the function of assisting the development of business in those or related areas.
 - (m) Employment by any Department or Board for the purpose of conducting or assisting in the conduct of public surveys.
 - (n) Employment by way of service with the Government, or with any Department or Board, of temporary administrative or clerical staff supplied by an employment business (within the meaning of the *Employment Agencies Act 1975*).

SCHEDULE III

RATES FOR BUYING ONE ADDED YEAR OF PENSIONABLE SERVICE ON RETIREMENT

1. The tables below shows, by Pension Scheme Section membership, the current rates for buying one added year, in accordance with paragraph 6.5, 6.7, 7.5 and 7.7 of service by lump sum payment following being made redundant.
2. These tables are current at the commencement date of this scheme but may, from time to time, be updated by the PSPA after consultation with the Scheme Actuary.

ISLE OF MAN GOVERNMENT UNIFIED SCHEME 2011 - SECTION 1 MEMBER

Age next birthday at date of option	Lump sum (£ per £100 of pay)	
	M	F
50	21.86	21.07
51	22.23	21.43
52	22.61	21.79
53	22.99	22.16
54	23.38	22.54
55	23.78	22.92
56	25.08	24.27
57	26.29	25.55
58	27.40	26.74
59	28.43	27.85
60	29.38	28.87
61	30.03	29.57
62	30.83	30.40
63	31.54	31.14
64	32.14	31.77
65	32.61	32.30

**ISLE OF MAN GOVERNMENT UNIFIED SCHEME 2011 - SECTION 2
MEMBER & No. 1 Scheme**

Age next birthday at date of option	Lump sum (£ per £100 of pay)	
	M	F
50	29.10	28.54
51	29.59	29.02
52	30.09	29.51
53	30.61	30.02
54	31.13	30.53
55	31.65	31.04
56	33.02	32.49
57	33.79	33.34
58	34.72	34.36
59	35.56	35.30
60	36.10	35.91
61	36.80	36.67
62	37.64	37.54
63	38.57	38.52
64	39.37	39.37
65	40.39	40.49

**ISLE OF MAN GOVERNMENT UNIFIED SCHEME 2011 - SECTION 3
MEMBER**

Age next birthday at date of option	Lump sum (£ per £100 of pay)	
	M	F
50	33.07	32.63
51	33.63	33.18
52	34.20	33.75
53	34.78	34.32
54	35.37	34.91
55	35.97	35.50
56	37.24	36.86
57	38.15	37.87
58	39.20	39.04
59	40.16	40.11
60	40.81	40.84
61	41.60	41.71
62	42.53	42.68
63	43.54	43.73
64	44.60	44.86
65	45.65	46.02

**ISLE OF MAN GOVERNMENT UNIFIED SCHEME 2011 - SECTION 4
MEMBER**

Age next birthday at date of option	Lump sum (£ per £100 of pay)	
	M	F
50	23.96	23.24
51	24.37	23.63
52	24.78	24.03
53	25.20	24.44
54	25.63	24.86
55	26.07	25.28
56	27.56	26.84
57	28.95	28.31
58	30.23	29.69
59	31.19	30.73
60	32.29	31.92
61	33.31	33.00
62	34.02	33.75
63	34.85	34.61
64	35.56	35.36
65	35.92	35.78

Teachers Superannuation Order 2011 – Pre 2007 Joiners

Age next birthday at date of option	Lump sum (£ per £100 of pay)	
	M	F
50	28.86	28.20
51	29.35	28.68
52	29.84	29.17
53	30.35	29.66
54	30.87	30.17
55	31.39	30.68
56	32.10	31.43
57	32.84	32.23
58	33.62	33.08
59	34.40	33.92
60	35.15	34.73

Teachers Superannuation Order 2011 – Post 2007 Joiners

Age next birthday at date of option	Lump sum (£ per £100 of pensionable pay)	
	M	F
50	26.80	26.17
51	27.26	26.61
52	27.72	27.06
53	28.19	27.52
54	28.67	27.99
55	29.16	28.47
56	29.79	29.15
57	30.40	29.82
58	31.06	30.55
59	31.69	31.26
60	32.37	32.00
61	33.05	32.74
62	33.77	33.49
63	34.50	34.25
64	35.22	35.01
65	35.85	35.71

3. For those members who were in service on the commencement date of this scheme and are subsequently made redundant any service purchased will be calculated on the following basis.
 - (a) For those made redundant between the commencement date and 31 December 2014 the service purchased will be adjusted upwards by a factor of 1.75.
 - (b) For those made redundant between the 1 January 2015 and 31 December 2015 the service purchased will be adjusted upwards by a factor of 1.50.
 - (c) For those made redundant between the 1 January 2016 and 31 December 2016 the service purchased will be adjusted upwards by a factor of 1.25.
4. From 1 April 2017 service will be purchased in accordance with the table above.

EXPLANATORY NOTE

(This note is not part of the Scheme.)

1. The purpose of the Public Sector Compensation Scheme 2013 is to reform Government's redundancy compensation arrangements through the introduction of new compensation benefits for a number of Public Sector employment groups, (primarily Civil Service and analogous employment groups, Manual Workers and NHS Employees) in respect of the compulsory or voluntary 'loss of office' (including termination of employment by way of redundancy).
2. The Scheme seeks to harmonise and simplify provisions for those that experience compulsory or voluntary redundancy by providing a compensation lump sum based upon a formula of pay and length of service. This is made up of one month's pay for each year of service up to certain maximum levels, for permanent employees and those appointed on a limited or fixed term basis (with agreed redundancy terms) with at least two years service.
3. Members of the Unified Scheme or the Manual Workers No 1 Scheme may exchange their lump sum to buy additional service to enhance their pension subject to certain conditions.