

## **Mutual Early Resignation Scheme (MERS) Lite**

### **What is MERS?**

1. The Mutual Early Resignation Scheme (MERS) is a scheme under which an individual employee, in agreement with the council, chooses to leave employment in return for a severance payment.
2. MERS is entirely voluntary and there is no legal obligation on the council to accept any individual application. The scheme is designed to support the flexibility of the council to address periods of rapid change and service re-design and when necessary to support any corporate measures to reduce the pay bill.

### **MERS Lite**

3. This amended version of MERS is being promoted to support the council's need to control costs. For that reason, two distinct changes have been made to the scheme on a temporary basis.
  - Applications will only be accepted where the budget manager does not need to recruit to the post, or can demonstrate an equivalent saving within 12 months.
  - The full MERS scheme offers applicants the choice of a severance payment or the option to take their pension on a non-reduced basis if they are aged over 55. The option for applicants to take their pension on a non-reduced basis has been temporarily withdrawn due to cost implications. Applications will be approved on the basis of a severance payment only.

### **Eligibility**

4. Each application made in accordance with MERS Lite will be considered on its own merits.
5. All council employees (excluding schools) with more than one year's service are eligible to apply for the scheme. This only applies to service within Herefordshire Council and any reckonable service is only related to continuous service within Herefordshire Council. Service for other local authorities does not apply.
6. It will not be agreed where an employee:
  - has already formally given notice of their intention to resign/retire, prior to the date when applications are formally being sought;
  - has been notified of the date of the termination of their contract of employment for any other reason;
  - is undergoing a performance management procedure to address poor performance;

- is undergoing a conduct procedure.
7. The council reserves the right to determine whether or not an application will be approved.

### **Severance Payment**

8. If an application is approved, an employee will receive a severance payment calculated as follows:

<b>Reckonable Service (complete years)</b>	<b>Scale of Payment</b>
1 year's continuous service	3 weeks basic salary
2 years' continuous service	3 weeks basic salary
3 years' continuous service	3 weeks basic salary
4 years' continuous service	4 weeks basic salary
5 years' continuous service	5 weeks basic salary
... and so on, with 1 week basic salary for every year of service to a maximum of 40 weeks basic salary	

### **Re-engagement**

9. The council will not re-engage on any contractual term (including as contractor, interim or agency worker) a former employee who has left under MERS for at least six months from their last day of service. Exceptions to meet an unexpected service need must be agreed by the s151 Officer in advance. If an individual does return to the council within six months they would be required to repay any MERS payment in full.

## APPENDIX 1

### MERS Lite Application Procedure

Actions	Responsibilities and Duties
<p><b>1. Employee initiates application</b></p>	<p>Employees should discuss their wish to apply for MERS Lite with their line manager in the first instance. Informal discussions will be confidential and not make a binding commitment for either party.</p> <p>The employee may need to refer to their manager or HR to confirm the length of service and MERS Lite payment to assist decision making and to seek guidance about the scheme.</p> <p>If the employee decides to apply, they do so by using the MERS form located in Business World.</p> <p>They must complete all relevant parts of the MERS form and submit in order for this to be sent to the manager for approval.</p>

Actions	Responsibilities and Duties
<p><b>2. Manager approves / rejects MERS</b></p>	<p>The manager will receive the application via a Business World task where they must indicate whether or not they support the employee's application.</p> <p>If they are in support, the manager must set out the business case by considering financial and service considerations, which include:</p> <ul style="list-style-type: none"> <li>– why the severance payment is in the public interest</li> <li>– why it represents value for money</li> <li>– how it represents best use of public funds</li> <li>– how it will affect the council's financial targets</li> <li>– how business needs will be met</li> <li>– how the reduction in staff costs is sustainable</li> <li>– how the loss of skills and experience of the individual has been considered</li> </ul> <p>If they do not support the application, they must state the reason(s) and reject the form back to the employee.</p> <p>If they do support the application they must complete all required areas of MERS form and approve the form which will then automatically be sent to the Management Accountant and then Service Director for approval.</p>
<p><b>3. SD considers the application</b></p>	<p>The Service Director completes the relevant part of the MERS form, indicating whether or not the application has been approved, giving reasons, and seeks the agreement of the Director of HR&amp;OD</p> <p>The SD communicates their decision in writing (MERS decision letter) to the employee (copied to the manager), stating the terms of the release, if MERS is approved.</p>

	<p>The SD will Approve / Reject the task on Business World where appropriate.</p> <p>There is a right of appeal against a declined MERS application. Appeal information is detailed further in this document.</p>
<p><b>4. Applicant tenders resignation</b></p>	<p>If the MERS application is approved, the employee tenders their resignation and confirming that they agree to the terms of the release as detailed in the SD's letter (MERS resignation letter).</p> <p>A settlement agreement will be required for which the council will pay a £350 contribution towards the cost of the employee's legal fees.</p>
<p><b>5. Appeal</b></p>	<p>If the MERS application is rejected, there is a right of appeal. Appeals should be made within 5 working days of the outcome of the MERS application and be addressed to the individual's Corporate Director. The appeal will be a desktop review and the outcome of the appeal will be communicated to the individual within 5 working days of receipt by the Corporate Director.</p>