



Public Sector Exit Cap (£95K)

Members will be aware that for several years now government has been committed to introducing a £95k cap on exit payments for members leaving the Public Sector.

The government's proposals have far reaching consequences for our members in local government who are aged 55 or over as their pension strain costs will be included in the event, they leave their employment by redundancy or retirement as they seek to incorporate the 'strain cost' of our members pensions in any exit calculation to be set at £95K.

GMB and our sister Trade Unions have successfully staved off the implementation of this cap for several years but Government introduced a bill to Parliament on 21st July 2020 which now passed, has produced The Restriction of Public Sector Exit Payments Regulations 2020.

The Regulations have yet to be placed into a statutory instrument but when they are, we have been advised by the Treasury that implementation will follow 21 calendar days later. This will affect members in the process of leaving their employment even if an agreement has been reached with your employer.

GMB has written to the government as part of the consultation process and on numerous other occasions pointing out that the regulations are flawed and unworkable and particularly disadvantage low paid long serving Local Government Pension Scheme members.

This action is particularly reprehensible when Local Government workers have been on the frontline in protecting our communities from Coronavirus.

GMB are currently exploring all avenues to defend the interests of our members against these regulations. If you are not a member you can join by going to <https://www.gmb.org.uk/join-gmb>

In the mean-time you can also read more on our response to the consultation by clicking on the link <https://www.gmb.org.uk/network/public-services-section/all-public-sector-updates>

Rehana Azam
National Secretary