Appendix B

# The Redundancy Multiplier

**Hypothetical comparisons:**

**Employee A** is full time, aged 56 with 11 years service. Her gross weekly wage is £647.

**If the multiplier was two** for all employees she would receive a redundancy payment of £21,360. The pension costs to the Council would be £34,232. Total cost to Council £55,592.

**If the multiplier was reduced to 1.5** for employees aged over 55 she would receive a redundancy payment of £16,020. The pension costs to the Council would be £34,232. Total cost to Council £50,252.

**Under the current multiplier of three** she would receive a redundancy payment of £32,042. The pension costs to the Council would be £34,232. Total cost to Council £66,275.

**Employee B** is full time, aged 36 with 11 years service. His grossly weekly wage is £647.

**If the multiplier is reduced to two** he would receive a redundancy payment of £14,234. This would be the total cost to the Council.

**Under the current multiplier of three** he would receive a redundancy payment of £21,351. This would be the total cost to the Council.

**If the multiplier is reduced to one** (i.e. there is no multiplier) he would receive a redundancy payment of £7,117. This would be the total cost to the Council.

If the multiplier is reduced to one (i.e. there is no multiplier) and **statutory maximum of £400 for calculating a week's pay was used** instead of actual week's pay, he would receive a redundancy payment of £4,400. This would be the total cost to the Council.