



Mutually Agreed Resignation Scheme (MARS)

1. The Purpose of this Scheme

- 1.1 The MARS is a mutually agreed resignation scheme under which an employee, in agreement with their employer, chooses to leave employment in return for a severance payment.
- 1.2 The Scheme aims to increase the flexibility of the organisation to address periods of change and service review, in line with financial circumstances, fulfilling our statutory requirement to avoid redundancies, as required under Council Directive 98/59/EC Article 3, Section 11 Information and consultation
- 1.3 The objectives of the scheme are:
 - To increase the flexibility of the Council as they move through periods of change and service review;
 - To provide savings to the Council;
 - To minimise the need for future redundancies.

2. Eligibility

- 2.1 The scheme will be offered to all employees in permanent posts with over 2 years service, including those on long term sick, maternity leave and career breaks.
- 2.2 Where an employee is subject to disciplinary action, no release under MARS will be considered until the disciplinary process has been exhausted.
- 2.3 An employee who receives a severance payment and voluntarily leaves employment under this scheme should not seek employment with another Local Authority or with any other body covered by the Modification Order within four weeks of leaving employment to ensure public monies are spent. Based on the terms of the Modification Order, an employee who has received their severance payment and leaves employment of the Council (or is due to do so) receives an offer of a job from another Modification Order body before the termination of his or her employment and takes it up within four weeks of the end of the old employment, there will be no dismissal and the employee would be at risk of losing their severance payment as continuous employment with a local body would be preserved.
- 2.4 MARS cannot be used if a redundancy situation exists. In a redundancy situation where either a service is terminated or the amount of work diminishes

redundancy must be paid in line with our redundancy policy. Failure to do so would result in an unfair dismissal claim.

2.5 This scheme does not confer any rights on the employee to be released under the scheme and consideration of each application will be based on its merits taking into account the criteria set out below. Applications will only be agreed where it can be clearly demonstrated to be in the Council's operational and financial interests to agree to the employee's resignation and payment of severance under the MARS, taking into account the following criteria:

- The amount of any ongoing savings to the Council that would accrue as a consequence of a decision to accept the resignation of the employee and the ongoing arrangements for discharge of the employee's duties and responsibilities.
- The cost to the Council of the employee's entitlement to a severance payment under the MARS including the cost to the Council.
- The operational interests of the service and the overall impact on the skills and knowledge.
- The operational interests of the service and the overall impact on the skills and knowledge base within the applicant's teams.

2.6 Employees must apply for this scheme freely and without duress. Although managers must not directly approach individual employees to elicit an application for this scheme, the Chief Executive reserves the right to (internally) publicise time limited opportunities where employees may apply for MARS.

3. Settlement Agreement

All severance payments will be formalised by means of a settlement agreement. Settlement agreements will only work if the employee receives independent legal advice, normally from a solicitor, the council will be responsible for any costs associated with this advice, up to a maximum of £300.

4. Severance payment

4.1 The severance payment will equate to a payment of two weeks basic pay per year for each year of local government service up to a maximum of 52 weeks.

4.2 Payments of £30,000 and under are exempt from tax and national insurance contributions (NIC). Additionally, providing the payment is in line with the terms of this scheme, payments above £30,000 will not be subject to NIC.

4.3 There are no pensions contributions payable by the employee or the employer on the payment received.

- 4.4 In certain circumstances, the Chief Executive has the discretion to review and amend the severance payments provisions offered as part of this policy. If such changes would be adverse to the workforce (as they detract from the standard MARS policy) then the usual consultation process will take place with unions on the proposed changes and would be signed off by JCC. Any proposed short duration enhancements to the MARS policy will be signed off by the CX after discussing with the unions in advance, but with no requirement to go to JCC.

5. Notice Period

Notice periods will be individually agreed with employees and form part of the settlement agreement. Where employees are not required to work their full notice period payment will be made in lieu of notice and any un-taken holiday entitlement, these payments will be subject to taxation.

6. Pension

Where employees are members of the Local Government Pension Scheme, resignation will probably have an impact on future pension awards. Employees are advised to obtain independent advice on their pensions. Information relating to pensions can be found on www.wypf.org.uk

7. Rights of representation and accompaniment

Employees will have the right to be represented by an accredited representative or full time official of a Trade Union or a work colleague during any meetings held under this process.

8. Review of Policy

This policy will be reviewed at intervals of three years, or earlier at the request of either the management or staff side

Human Resources

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