

# Special Voluntary Severance Scheme (SVSS) FAQs

## **Would anyone leaving under SVSS be expected to sign a compromise agreement?**

This has not yet been mentioned by any of the TOCs and we do not anticipate that it will be needed. However, should you be required to sign a settlement agreement (previously known as and often referred to as compromise agreements), you must fully understand the document before you can sign it. For a settlement agreement to be legally binding the law requires an independent solicitor or adviser to advise you about the terms and effect of the agreement.

In the event that the matter arises, TSSA will provide legal representation and you should contact TSSA's Helpdesk for more information or raise it with your workplace reps.

## **GWR redundancy calculator was set previously based on age as well so if anyone decided to express interest in redundancy got 10 weeks more pay than SVSS**

The VSS scheme is an industry-wide voluntary scheme established by Network Rail and the 15 TOCs signed up to the Rail Industry Recovery Group. The terms are those that employers have jointly decided to offer at this point. It is better than some VS schemes previously offered and worse than others dependent on who you work for. TSSA has not agreed or approved the scheme.

## **Are Group employees with TOC contracts eligible to apply?**

Eligibility requirements differ between employers. Members are encouraged to request clarification from their HR department.

## **Is the final figure taxable?**

The first £30k of the severance payment is tax free. All other elements are subject to taxation based upon your own individual circumstances.

## **Do we need to discuss expressing our interest with our manager before doing so?**

You are not required to and is your personal choice if you think it would be helpful to discuss with your manager.

## **What affects not getting £30k tax free? Can I put some of VSS if I get it into my pension? What happens to my pension if I just leave it until my national retirement age (NRA)? If I take benefits early or directly after leaving will it be more beneficial (early retirement factors)?**

You can put some of your VSS into your pension. RailPen has more details about this on their website at: <https://member.railwayspensions.co.uk/in-the-scheme/paying-into-a-defined-benefit-pension/severance>

There may be implications in terms of your Annual Allowance (AA) and Lifetime Allowance (LTA) which the RailPen website explains (there are also "Read as you need" guides on the RailPen Website on these subjects - see:

<https://member.railwayspensions.co.uk/resources/read-as-you-need-guides>).

If you leave under SVSS and do not take your pension until you reach your NRA, you will be regarded as a Deferred member of the RPS and your pension benefits will be preserved until you claim them. If you decide to take your benefits before your NRA, an early retirement factor will be applied. The earliest that you can claim your benefits if you have a Protected Pension Age is age 50. If you have Protected Person status under the Railway Pension Protection legislation it is usually age 50 but some members may have given this individual element of protection up. For everyone else it is age 55. The more beneficial early retirement factors - known as Schedule 8 - only apply to those RPS members with Protected Person status under the Railway Pension Protection legislation. If you qualify and decide you want to take your benefits early, you will need to apply for them before you leave service or immediately upon leaving because otherwise you will have less favourable, cost neutral (to the Pension Scheme) early retirement factors applied.

**When will this be open to Southeastern employees?**

VSS was not originally offered to Southeastern employees because of the TUPE transfer to Operator of Last Resort. SE Trains opened up VSS to their employees from midday on 29 October and expressions of interest must be submitted by midnight on closing date of 19 November. Job functions considered safety critical across the business will not be eligible to apply for voluntary severance, broadly similar to other TOCs.

**Being safeguarded staff. If I leave under the VSS but don't immediately take my pension, will I keep the enhanced pension reduction early retirement factors if I do then retire before I'm 60?**

Safeguarding applies to travel facilities. You may be referring to having Protected Person status under the Railway Pension Protection legislation. If that is correct, in this circumstance, you will lose the Schedule 8 factors if you do not claim your pension immediately upon leaving your railway employment. However, if you delay claiming your pension until your Normal Retirement Age, ERFs will not need to be applied.

**Under what circumstances will the £30k severance be taxable? Are there any quotas of staff that employers are prepared to leave the service?**

The tax status of the first £30k is dependent on your personal income levels - for example sources of income other than your salary. However, you should check with the HMRC or speak with an Independent Financial Adviser. We do not believe that there are any quotas in place for any employer.

**How is it possible that some people on the same positions were offered the scheme and some were not?**

If you believe that the offer has not been made consistently, you should contact your local TSSA Representative to assist in raising the matter with your employer.

**Some members who showed interest have worked full time for some years and are now part time. Is this taken into account? How is it worked out?**

You can use the RIRG calculator to work out your potential entitlement which is based on your length of service and present basic salary.

**If I get severance, would I be able to get job with another firm that supplies GWR or any FirstGroup TOC? eg not directly as a contractor to any TOC, perhaps produces software for the railway**

The 2-year embargo only applies to re-employment with companies signed up to the scheme.

**If I leave my TOC, can I apply to a new TOC for a new role?**

It has been said by employers that you cannot take a severance payment and then re-apply for a job within any of the other TOCs or Network Rail who signed up to the VSS scheme for a minimum period of two years.

**Can I take a rep if I have a meeting with my employer about this?**

In most circumstances there would not be any need to have a discussion with your employer at all. It would simply be a matter of applying and being accepted or rejected based on the standard terms. However, if you wish to challenge the decision, you can seek the support of a TSSA Rep and follow the review process.

**Do you have any idea how much redundancy might be coming?**

Those who are agreed to leave under VSS with their employer will receive a payment based upon their basic salary for each year of continuous service, the calculation is 2 x your weekly salary plus 2 x weeks salary on top, in addition people will receive a supplementary payment and payment for any outstanding A/L. There is an online calculator each employer has setup for you to check your own calculation.

**What will happen to travel passes?**

Those with safeguarded staff travel employed pre 1996 will retain this benefit.

**Will safeguarded staff keep their travel facilities on the same basis as if they retired or were made redundant?**

Those with safeguarded staff travel employed pre 1996 will retain this benefit.

**I have a colleague that has "unbroken service". They left one TOC and joined another, but they weren't TUPE'd across, is VSS based on pension date or date with employer?**

Severance payment is based upon length of continuous service with their current employer. If they did not previously transfer under TUPE and resigned from one employer before starting a new contract with another, then for the purposes of this scheme their continuity of service is broken between those employers. The payment is calculated from the date they joined their current employer if they did not transfer under TUPE. If their start date is in doubt, they should question this with HR and/or raise with one of their workplace reps if unsure.

**Will we know who has been accepted by the scheme before we have to fully agree?**

Applications to the scheme and the acceptance or rejection of applicants is a private matter between individuals and their employer.

**Who do we email to express an interest in the severance?**

Your employer should have explained this - if it's not clear then ask your HR department as it will be different within different companies. Also check the information held on the RIRG hub which your employer should have circulated.

**Will we know who has been accepted by the scheme before we have to fully agree?**

TSSA has asked TOCs to arrange update meetings to confirm the total number of applications received and confirmed. The names of applicants are confidential between the individual and their employer.

**I'm 60 years of age and have applied for the SVRS, how long do I have to wait before I can apply for my pension? Is there a time frame?**

Different employers are taking different views on this. It is something we need to deal with. For pension specific information and advice, members of the Railway Pension Scheme - RailPen (RPMI) has produced some useful webpage guides which give a lot of additional information: The 'Severance/redundancy and your pension' page is at: - <https://member.railwayspensions.co.uk/in-the-scheme/paying-into-a-defined-benefit-pension/severance>

**Can employers pick and choose who they wish to decide to give severance to, or is that a form of discrimination?**

It is entirely at employer discretion who they decide can leave or not under VSS. TOCs have said their decisions will be based upon business reasons, deciding what operational job roles might need to be retained, considered critical to safe running of the railway versus job roles not considered safety critical.

**Can you please explain the second part- supplementary pay?**

A supplementary payment is being offered and is calculated based upon an amount equivalent to the basic pay you would receive under your contractual notice period if the contract was terminated by redundancy, rather than by mutual agreement. However, the supplementary payment is capped at 3 months max so for anyone who has a contract of employment with a notice period greater than three months, it will be paid on a maximum of three months basic salary.

**What is the timeline for letting staff know who has been accepted for VSS?**

This is unclear as it depends on Department for Transport (DfT) approval. It has been said that when applications are agreed, departure dates for all leavers under VSS will be completed by 31 March 2022.

**Can you withdraw your application at any point?**

Yes - you can withdraw your expression of interest anytime up to the point you have accepted and signed off the offer of VS. When you have signed your agreement, it can no longer be withdrawn after this.

**Are unions aware of any new contracts?**

TSSA is not aware of any plans to introduce new contracts.

**I've worked over 10 years, if I accept the offer and I take my pension, will I then receive my staff pass as that is the biggest swing if I stay or go?**

Those with safeguarded staff travel passes employed pre 1996 will retain this benefit.

**Are the companies allowed to recruit into the vacancy created by anyone who leaves under the scheme? At the On Train Divisional Council in GWR we've been told they can't. If the job is still required the VSS application won't be accepted**

It is not yet clear what will happen to job roles across the rail industry after staff have mutually agreed with their employer to leave under SVS. Some TOCs have so far stated these job roles will not be backfilled. It would defeat the point of the scheme if vacancies created were subsequently filled by new starters. TSSA supports a recruitment freeze across the industry to reduce the potential for redundancies.

**Under the RIRG have there been any discussions/ideas whether Engineering in GWR will be transferred out to another operator like Hitachi?**

TSSA is not aware of any such discussions.

**The TOC I work for now is different to the TOC I started with and although not safeguarded we had an agreement that under redundancy we would keep travel passes for the new company that takes over. As this is not redundancy, does this still apply?**

No, this is not a redundancy it is a voluntary severance scheme. Only safeguarded staff employed pre 1996 will be able to retain their staff travel passes under the voluntary severance scheme currently offered.

**I am close to retirement age, will this affect my company's decision whether my application for severance is accepted?**

We understand that the rationale for acceptance or rejection of applications is based on factors such as safety critical job roles, the type of job role rather than personal characteristics. However, it is entirely a matter for each employer to decide. However, TSSA did secure a review process where decisions can be challenged and the rationale described to individuals who might think that they are being treated unfairly.

**If you apply for VSS and get turned down would there be any union support to maintain the terms of the VSS if you were subsequently made compulsorily redundant?**

TSSA is opposed to any compulsory redundancies and will challenge any move towards this by employers. The SVSS is designed to avoid compulsory redundancy at a later stage. However, if anyone was made compulsory redundant the employer is legally obliged to make a redundancy payment equivalent to staffs' contractual terms or statutory redundancy terms (if there are no contractual terms) and is not obliged to pay any amount greater than this. TSSA would resist compulsory redundancies.

**If the TOCs will not fill the numbers through voluntary severance, do you have the rules for the compulsory redundancies?**

TSSA is opposed to any compulsory redundancies and will fight for our members' jobs. Compulsory redundancy payments are always based upon staff contracts of

employment, or statutory redundancy terms if there are no contractual redundancy terms within staff contracts of employment.

**What is the difference between redundancy and severance?**

The definition of redundancy is a type of dismissal when a job role is no longer needed within the business and where the work has ceased or diminished resulting in the job holder being dismissed by reason of redundancy – compulsory redundancy. It is not by mutual agreement.

Severance is when it is mutually agreed the voluntary, early departure of a person.

**If redeployed/reskilled, would this include a pay cut?**

Redeployment and re-skilling are a matter for the future when the industry has established what the future structure will be and what opportunities are available for staff. TSSA will be involved in negotiations over the framework for how redeployment and reskilling will happen in practice as there are currently various agreements with different employers covering this.

**Health and safety is a huge priority as this create a massive negative impact on staff left behind.**

TSSA is deeply concerned about the health, safety and well-being of our members during this period of change. We also have serious concerns over the overall safety of the railway. Our Union will take up individual and collective concerns and will challenge any employer who risks our members' health or their personal safety.

**Company redundancy is 10 weeks more pay (in my case). Is this what the "supplementary pay" means?**

The supplementary payment is a payment offered in addition to the VS payment whereby you can receive a supplemental payment with the calculated amount equivalent to basic pay you would receive under your contractual notice period - if the contract was being terminated by the employer rather than by mutual consent. The supplementary payment is capped at 3 months max.

**I work in a Travel Centre and there are a lot of rumours going round that booking office and travel centres could be one of the areas where staff cuts are the most. With most tickets now going mobile or are booked on line. Is that true?**

We cannot comment on rumours, but new technology being introduced is likely to be a factor in the future shape of the industry.

**Can they reject any application of SVRS?**

Yes - it is at employer discretion. However, if you believe that all factors were not considered properly in reaching the decision, you may use the review process to supply additional information and ask for the decision to be reviewed.

**I think my contractual notice is 6 months - is the supplementary payment in the SVSS capped at 12 weeks?**

Yes - it is capped at 3 months maximum.

**If you don't apply for VSS and then later on there are compulsory redundancies, would the payment be less?**

Compulsory redundancy payments are based upon staff's contractual redundancy terms or statutory redundancy terms if there are no contractual terms. The formulae for calculating in both cases will be different to the formulae used in this VSS scheme. The VS scheme has been designed by employers to try avoiding compulsory redundancy. TSSA is opposed to compulsory redundancy.

**If accepted for severance, has there been any indications what timescale they want staff to leave the industry within? Certainly my line manager would like there to be a decent handover period as it would not be fair on those left behind.**

The timescales for departure are likely to depend on the job role concerned and the requirement for handover etc. However, it is likely to be no later than March/April 2022 and potentially much earlier in some cases.

**It seems unfair that if you defer your pension then you lose the Schedule 8 protections. Particularly as protected employees have been paying increased contributions to pay for this. Is there any opportunity to challenge this?**

The scheme is entirely based on the employers although we have sought to challenge any and all negative aspects – it is discretionary and not agreed via collective bargaining.

**There is a bit of confusion over whether or not the role of someone who is accepted onto the scheme is subsequently scrapped after the individual leaves. Can you clarify if this is the case or not?**

It is not a redundancy scheme - it is a severance scheme so the role remains but the person leaves - removing the roles would create a redundancy. Therefore, a major question is what happens to the work that a departing colleague leaves behind? TSSA is taking this up with employers and will be involved in consultation likely to take place at a later date.

**If you take vss and have over ten years' service, are under pensionable age but close your pension, will you be able to keep your staff pass as those that retire do as you have in theory taken your pension**

Staff passes will be retained by those staff who are safe-guarded, employed pre 1996

**I am a safeguarded staff member having joined BR in 1981. The company hold no record of my contract but stated, after they were unable to find anything, that my notice as a CO4 was only 4 weeks. Having checked the "red book" I believe I am entitled to 5 months notice, but this is only shown in the "red book" under the Redundancy section. Are you able to confirm this?**

We would need to establish what contractual terms you are employed on to determine whether red-book or non-red book, the supplementary payment will be equivalent to contractual notice payment but is capped at 3 months. If you can

email your contact details, contact TSSA Helpdesk or speak with your workplace rep we can speak with you individually to follow-up.

**What criteria is looked at when considering an application for VSS? IE age, position, length of service?**

Criteria includes job roles and whether they are safety-critical to the business. Employers will need to retain certain roles within the business balanced alongside the numbers of individual applications they will receive and can agree to let go under VS. Final decisions will be based upon operational business reasons. Employers have told us that they will accept applications providing that the work can be covered, and safety is not adversely impacted.

**If not redundancy and the role doesn't go, it then begs the question how will the DfT / TOC's save money?**

The roles are not likely to be backfilled and are very likely to be removed or altered as part of future reorganisations across the industry. Any such removal or alteration of roles should be consulted with TSSA as this would create a redundancy situation - even if the roles concerned are unfilled.

**How long after the closing date for the VSS do we have to wait for a decision as to whether we have been accepted or not?**

This will depend on the DfT and employers - we currently do not know.

**Do we know if there are any plans for Southeastern to offer this? I know it was initially excluded because of the transfer to DOHL, but are we hearing anything on if this will start up?**

The VSS scheme was not originally offered to Southeastern staff because of the TUPE transfer to Operator of Last Resort. SE Trains opened up VSS to their employees from midday on 29 October and expressions of interest need to be submitted by midnight on close of date 19th November.

**If I take the VSS and also retire/take pension, will I still get the benefit of the first £30k tax/NI free?**

All severance payments allow for up to the first 30k tax free, anything above £30k is taxable. It is left to the individual should they decide to declare with HMRC they received a severance payment, and any applicable tax would be based upon each individual's own financial circumstances.

Up to 25% of your pension pot can be taken as a tax-free lump sum when you retire. It is sometimes called a Pension Commencement Lump Sum.

**For non-safeguarded staff who currently get retired passes until the end of the franchise will this continue if the contracts with the TOC's change?**

This may happen and will be something that TSSA will be pressing for, However, the non-safeguarded travel arrangements that are currently in place come from trade union requests since privatisation.

**You mentioned that roles won't be removed for those who leave under VSS. Where can I get confirmation of this as my employer has said the exact opposite?**

The roles are not likely to be backfilled and are very likely to be removed or altered as part of a future reorganisation. Any such removal or alteration of roles should be consulted with TSSA as this would create a redundancy situation - even if the roles concerned are unfilled. You can contact Employee Relations or HR to verify the question or speak with your workplace reps to raise on your behalf with the employer.