

Dear Employer

On 12 May 2022, DLUHC published [statutory guidance on special severance payments](#). We have been asked by the Local Government Association (LGA) to circulate this to Employers.

Best Value authorities in England must have regard to the guidance in circumstances in which it may be appropriate to make Special Severance Payments. The guidance also covers approval, disclosure and reporting requirements. If you are not sure whether this applies to your organisation, you can check the list of the bodies the guidance applies to at the end of the guidance.

The guidance confirms that:

- strain cost related to the early payment of LGPS benefits does not constitute a Special Severance Payment.
- strain cost of awarding additional pension under regulation 31 of the LGPS Regulations 2013 may constitute a Special Severance Payment, depending on the terms of the individual's contract.

DLUHC consulted on a draft version of this guidance in 2021. You can find links to the original consultation, the LGA response and the Government's response on the Scheme consultations page of www.lgpsregs.org.