

IS VR RIGHT FOR YOU?

What is PENP?

Post-Employment Notice Pay (PENP) refers to the amount paid to an employee for any unworked notice period upon termination of employment, which is subject to income tax and National Insurance contributions. The current NHS GM Voluntary Redundancy timeframe for Window 1 and 2 schemes, do not allow employees to work their full contractual notice periods, although "Exit" dates we understand maybe negotiated. Notice will commence from the date individuals have been written to confirming that they have been accepted onto the Scheme.

- Window 1 – 2 weeks minimum
- Window 2 - 4 weeks 2 days minimum

PENP is a statutory calculation that applies when an employee's employment is terminated, and

they receive a relevant termination award. This award compensates the employee for the termination of their employment, excluding any statutory redundancy pay. NHS payments include both [statutory redundancy](#) and an enhanced (sometimes referred to as a severance) payments and are referred to as contractual redundancy in Agenda for Change Terms and Conditions.

PENP specifically accounts for the basic salary the employee would have earned during any unworked notice period. NHS GM will not make payment in lieu of notice (PILON).

This means for any member of staff who is employed at Agenda for Change bands 6 and above, PENP will be applied.

If you do not work your full notice period you'll pay tax and National Insurance on the part of your

redundancy payment equivalent to what you'd have earned if you were working.

Tax Implications

The first £30,000 of redundancy pay (including both statutory and enhanced elements) is **generally** considered tax-free. Any amount above this threshold would be subject to tax at the employees usual rate.

This £30,000 does not apply to any salary payments, including holiday, notice and unpaid wages.

NHS GM has an obligation to include an explanation on which payments have tax deductions within your settlement agreement. We advise that you do not seek legal advice or sign any agreement without a personal explanation and calculation on the impact of PENP on your redundancy payment.



Have unions endorsed the VR Scheme?

National NHS teams and national trade unions are continuing discussions on the scheme. At this stage, the trade unions have not agreed to the scheme as it currently stands.

The NHS GM VR proposal in its current form, has not been approved by any of the staffside bodies.

Join us for a discussion

Every Wednesday from 6 to 7 PM, we gather virtually on Teams for Members Meetings. [Click this link to participate.](#)

Additionally, we have scheduled another meeting during work hours on Wednesday, December 3rd, from 3 to 4 PM.

[Join the conversation using this link.](#)

Find out who your Staffside Representatives are on the NHS GM Intranet by [clicking here.](#)

Contact Staffside at our dedicated email address gmicb-sto.staffside@nhs.net

NHS GM STAFFSIDE UNIONS

UNISON

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BMA

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Royal College
of Nursing