

Trust-wide Policy

MARS Policy

Key Points

- Mutually Agreed Resignation Scheme (MARS) is a form of voluntary severance, designed to enable individual employees, in agreement with their employer, to choose to leave their employment voluntarily in return for a severance payment
- The Trust must achieve a saving by agreeing to a MARS application
- The scheme helps by creating job vacancies which can be filled by redeployment of staff from other jobs or as a suitable alternative for those facing redundancy
- MARS is not a redundancy or a voluntary redundancy scheme
- The payments which are made to the individual are broadly half that which would be paid through redundancy
- A salary cap of £80,000 will apply. For staff with total earnings of more than £80,000, the figure used for calculating a MARS payment will be £80,000
- The scheme will be time limited, in line with national guidance
- There is an application process for those interested but nobody will be allowed to leave that potentially puts the service at risk
- A settlement agreement will need to be made between the Trust and the individual
- The scheme is not there to pay people money who have already made it clear that they intend to leave or retire

Version:	2
Role of Policy Lead(s):	
Role of Executive Lead:	Chief People Officer
Date Approved by Executive Lead:	24 th February 2025
Date Approved by Professional Approving Group:	N/A
Date Approved by Policy Review Group:	N/A
Date Ratified by Hospital Executive Board:	N/A
Date Issued:	1 st March 2025
Review Date:	As required
Target Audience:	All staff
Key Words & Phrases:	'MARS'

Version Control Sheet

Version	Date	Policy Lead(s)	Status	Comment
0.1		Deputy Director of HR		MARS –time limited
1.0		Deputy Director of HR		Issued.
2.00		Deputy Chief People Officer		

Document Location

Document Type	Location
Electronic	Intranet – all sites
Paper	On request from People Services

Related Documents

Document Type	Document Name
Policy	Trust-wide Redundancy Policy
Policy	Trust-wide Retirement Policy

Contents

	Page No
1. Introduction	4
2. Scope of the Policy	4
3. Definitions	4
4. Purpose of the Policy	4
5. The Policy and Procedure	5
6. Re-employment	5
7. Settlement Agreement	6
8. Payment rate	6
9. Reckonable Service	7
10. Pensions	7
11. Application Procedure	8
12. Duties	8
13. Equality	8
14. Raising Awareness / Implementation / Training	8
15. Monitoring Compliance of Policy	9
16. References	9
Appendix A -Application Form	10
Appendix B – Supporting Staff	12

1. INTRODUCTION

- 1.1 The Mutually Agreed Resignation Scheme (MARS) has been designed to support the flexibility of the organisation to address periods of rapid change and service re-design.
- 1.2. The purpose of the MARS is to create job vacancies which can be filled by redeployment of staff from other jobs or as a suitable alternative for those facing redundancy. A genuine saving must be achieved- a post cannot be given up and the resulting gap filled by an agency or bank person.
- 1.3. The MARS is not a “disguised” redundancy scheme. If a post remains unfilled once an employee has left there is a risk that the Trust is demonstrating that it can operate without that post, that the post is redundant, and a potential risk of a claim for redundancy.

2. SCOPE OF THE POLICY

- 2.1 This policy covers all substantive employees.
- 2.2 To be eligible staff must have a minimum service of 12 months’ continuous service (continuous service being defined as NHS service with no break of greater than a week).
- 2.3 This policy does not cover bank workers, employees on fixed term contracts or staff who have given or otherwise indicated their intention to leave.

3. DEFINITIONS

- 3.1 **MARS** is a scheme under which an individual employee, in agreement with the Trust, chooses to leave employment in return for a severance payment. A Mutually Agreed Resignation (MAR) is not a redundancy or a voluntary redundancy scheme.
- 3.2 **Redundancy:** an employee who is dismissed shall be taken to be dismissed by reason of redundancy if the dismissal is attributable wholly or mainly to: a) the fact that his employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was employed by him, or has ceased, or intends to cease, to carry on that business in the place where the employee was employed or b) the fact that the requirements of that business for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the place where he was so employed, have ceased or diminished or are expected to cease or diminish" A formal review of the probationary period in order to confirm or end the employment, or, in exceptional circumstances, to extend the probationary period.

4. PURPOSE OF THE POLICY

- 4.1 The scheme has been developed to assist employers in addressing some of the financial challenges facing the NHS in the years ahead. Its key purpose is to create job vacancies which can be filled by redeployment of staff from other

jobs or as a suitable alternative for staff facing redundancy. This scheme has HM Treasury approval and will be time limited, in line with national guidance.

5. THE POLICY AND PROCEDURE

- 5.1 Any application under MARS must demonstrate that the departure of an employee on voluntary terms would be in the financial and operational interests of the Trust.
- 5.2. The following groups would not normally be allowed to leave under this scheme:
- where an employee has already formally given notice of their intention to resign/retire, prior to the date when applications are formally being sought;
 - where an employee has given informal advice that they intent to leave / retire
 - where an employee has already secured employment with another employer;
 - an employee has been notified of the date of the termination of their contract of employment for any other reason;
 - an employee is undergoing a performance management procedure to address poor performance; an employee is undergoing a conduct procedure; employees are currently in a selection pool identifying them for potential redundancy
- 5.3. MARS is entirely voluntary from the employer's and employee's perspective and there is no legal obligation on the part of the Trust to accept any individual application.
- 5.4. A MAR is viewed as being a voluntary resignation on the part of the individual employee, in return for a severance payment. As there may be significant financial and life-style implications for the employee, the Trust will support the decision-making process by assisting individuals with understanding these implications. Employees may wish to augment this by seeking advice from a regulated financial advisor.

6. RE-EMPLOYMENT

- 6.1. Employees who leave the Trust under MARS would not be re-employed under normal circumstances by the NHS in England, in the same or a different post, before a period of one month has elapsed. If an individual does return to the NHS within one month they would be required to repay any MARS payment in full.
- 6.2. Where an employee returns to work for the NHS in England within six months and before the expiry date of the period for which they have been compensated (as measured in equivalent months/part-months salary), then an employee would be required to repay any un-expired element of their compensation. This would be reduced to take account of any appointment to a lower grade and reflect net salary. The settlement agreement should specify the requirement to repay monies in such circumstances and may provide for a period of repayment.

- 6.3. As part of the settlement agreement employees will be required to warrant that they had not secured another job in the NHS at the time of leaving.
- 6.4. Re-employment includes working for the NHS in England via other mechanisms such as bank and agency.

7 SETTLEMENT AGREEMENT

- 7.1. Employees who decide to proceed with a MAR will be issued with a Settlement Agreement to sign, which will set out the financial and other terms under which the employment relationship will end.
- 7.2. Independent legal advice will need to be obtained by the employee before signing the Settlement Agreement. The organisation will contribute up to a maximum of £400.00 inclusive of VAT towards the cost of this legal advice.

8 PAYMENT RATE

- 8.1. MARS payments will be calculated using the model below though a salary cap of £80,000 will apply. For staff with total earnings of more than £80,000, the figure used for calculating a MARS payment will be £80,000

Reckonable Service (complete years)	Scale of Payment
1 year's continuous service (organisation/NHS)	3 months' basic salary
2 years' continuous service (organisation/NHS)	3 months' basic salary
3 years' continuous service (organisation/NHS)	3 months' basic salary
4 years' continuous service (organisation/NHS)	3 months' basic salary
5 years' continuous service (organisation/NHS)	3 months' basic salary
6 years' continuous service (organisation/NHS)	3 months' basic salary
7 years' continuous service (organisation/NHS)	3 ½ months' basic salary
8 years' continuous service (organisation/NHS)	4 months' basic salary
9 years' continuous service (organisation/NHS)	4 ½ months' basic salary
10 years' continuous service (organisation/NHS)	5 months' basic salary
11 years' continuous service (organisation/NHS)	5 ½ months' basic salary
12 years' continuous service (organisation/NHS)	6 months' basic salary
13 years' continuous service (organisation/NHS)	6 ½ months' basic salary
14 years' continuous service (organisation/NHS)	7 months' basic salary
15 years' continuous service (organisation/NHS)	7 ½ months' basic salary
16 years' continuous service (organisation/NHS)	8 months' basic salary
17 years' continuous service (organisation/NHS)	8 ½ months' basic salary
18 years' continuous service (organisation/NHS)	9 months' basic salary
19 years' continuous service (organisation/NHS)	9 ½ months' basic salary
20 years' continuous service (organisation/NHS)	10 months' basic salary
21 years' continuous service (organisation/NHS)	10 ½ months' basic salary
22 years' continuous service (organisation/NHS)	11 months' basic salary

23 years' continuous service (organisation/NHS)	11 ½ months' basic salary
24 years' + continuous service (organisation/NHS)	12 months' basic salary

9 RECKONABLE SERVICE

- 9.1. Reckonable service means continuous full-time or part-time employment with the Trust or any previous NHS employer where there has been a break of service of 3 months or less, as at the time of leaving. Employment that has been taken into account for the purposes of a previous redundancy or loss of office payment by an NHS employer, will not count as reckonable service.
- 9.2. Any severance payment made will be offset against any subsequent payment made for the purposes of any future calculation of redundancy payments in subsequent employment. This would apply where the period of employment covered by the severance payment is taken into account in calculating the redundancy payment.
- 9.3. The severance payment would be subject to having not secured another job in the NHS at the time of leaving.
- 9.4. An employee accepting a MARS severance payment and resigning from the Trust may find alternative employment elsewhere in the NHS subject to the conditions set out in section 5 above. In the event that any future NHS employer intends to make the employee redundant, the employer will be notified of this provision of MARS. The employee's proposed leaving date will be subject to negotiation and mutual agreement between the employer and employee.

10 PENSIONS

- 10.1. Staff whose application under MARS is accepted, and who have reached their 'normal pensionable retirement age', will also be eligible to claim their NHS pension benefits. This will not involve the organisation in incurring additional costs related to the payment of pension benefits.
- 10.2. Staff whose application under MARS is accepted and who have reached their minimum pension age, may also wish to apply for Voluntary Early Retirement with reduced pension benefits. For members of the 1995 Section of the NHS Pension Scheme, minimum pension age is 50 for most but 55 for some members who first joined or returned on or after 6 April 2006. For members of the 2008 Section of the NHS Pension Scheme, minimum pension age is 55.
- 10.3. Please note, however, that we are unable to guarantee the timing of the payment of such benefits in line with any MARS payments and applications for pension benefits will need to be made in the normal manner by submission of a leave form.
- 10.4. Further information about the NHS Pension Scheme is available at www.nhsbsa.nhs.uk/pensions

11 APPLICATION PROCEDURE

- 11.1. A joint application should be made by both Employee and Manager using the attached form. The associate Director must sign the form signifying their support
- 11.2 The two part application form must be submitted to the Chief People Officer for consideration (Appendix A).
- 11.3 If the application is agreed, the date of exit must be mutually agreed and must be within a defined period, in line with national guidance, i.e. not imposed by the employer and not retrospective.

12 DUTIES

12.1. Executive Directors

The accountable Executive Director responsible for overseeing the process for MARS for the Trust is the Chief People Officer.

12.2. Managers and Staff

All managers and staff are responsible for ensuring that this policy is correctly followed.

12.3. HR Department

- The HR Department will:
 - Advise managers regarding issues arising through the process.
 - Monitor applications for any equality and diversity issues

13 EQUALITY

- 13.1. Applications will be monitored to ensure that applications are made and granted fairly and without bias. Frimley Health NHS Foundation Trust is committed to ensuring that, as far as is reasonably practicable, the way we provide services to the public and the way we treat our staff reflects their individual needs and does not discriminate against individuals or groups on any grounds. This policy has been assessed accordingly

14 RAISING AWARENESS / IMPLEMENTATION / TRAINING

- 14.1. Awareness of this policy will be made through manager briefing and the publication of summary details in Inform.

15 MONITORING COMPLIANCE OF POLICY

15.1. This policy will be monitored through the Workforce Group

16 REFERENCES

- NHS terms and conditions of service handbook -Section 20
- <http://www.nhsemployers.org/mutually-agreed-resignation-scheme>
- <http://www.nhsbsa.nhs.uk/Pensions.aspx>

Appendix A – Application Form

Mutually Agreed Resignation Scheme – Application Form for completion by the employee and manager to be returned to Matt Joint, Chief People Officer (both pages).

Employee section

Ward/Department			
Full Name:		Date of Birth:	
Job title:		Band/Grade:	
Payroll Number			
NI Number:		Gross Annual Salary	
NHS Start Date		Organisation Start Date:	
Preferred Contact Details:	E-mail:		
	Phone:		
	Address:		
I wish to apply for the Mutually Agreed Resignation Scheme. I understand that the information above will be validated and the outcome of my application will be communicated to me in writing.			
Date:			
Signed:			

This section to be completed by the line manager

Details required of how recurrent cost savings can be made through skill mix/redeployment:

1. Why is the employee being considered for voluntary severance?

2. Savings to be delivered as a result of agreeing a MARS payment? (recurrent and non-recurrent). Which other post is being given up permanently?

3. Voluntary severance costs?

Additional information:

If the post creates opportunity for more than one displaced member of staff then selection process and criteria for other posts being considered as suitable alternative employment will also apply in this circumstance.

I do/do* not support this application (*Delete as appropriate)	Reason:
Signed: Signed: Date:	Line Manager Associate Director/Head of Service

PLEASE FORWARD ALL COMPLETED FORMS TO THE CHIEF PEOPLE OFFICER FOR CONSIDERATION.

<p>Authorisation from Director of Human Resources and Corporate Services</p> <p>This application has/has not been approved</p> <p>Signed:</p> <p>Date:</p>
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For Completion by HR/Payroll Team

Basic Annual Salary:		Organisation Start Date:	
MARS Payment Calculation:	Leaving Date:	Completed Years:	
<p>Completed by: _____</p> <p>Date _____</p>			

Appendix B – Supporting Staff

The following web sites may be helpful

- NHS Pensions: www.nhsbsa.nhs.uk/pensions
- Benefits website: www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm
- Citizens Advice Bureaux: <http://www.adviceguide.org.uk/>

Employers are not legally authorised under the Financial Services Act to give pensions or other financial advice to individuals. Therefore, employees should be encouraged to seek further independent financial advice. The following websites may be of assistance.

- IFA Promotion: www.unbiased.co.uk
- The Personal Finance Society: www.thepfs.org
- Money made clear: www.moneymadeclear.fsa.gov.uk