[News story: Six-figure taxpayer-funded public sector exit payments to end]

A cap of £95,000 will be introduced to stop huge exit payments when public sector workers leave their jobs, the government announces today (10 April 2019).

More than 1,600 highly-paid workers received payments of more than £100,000 in 2016-17 when they left public sector roles, costing a total of £198 million. English local government six-figure payments alone accounted for £98 million. Exit payments across the public sector were £1.2 billion in 2016-2017.

To ensure exit payments are value for money for the taxpayer, a [consultation is launching today] outlining how the government will introduce the cap. The UK Civil Service, local government, police forces, schools and the NHS are included in a first round of implementation which will cover the vast majority of public sector workers.

The policy has been carefully designed to protect long-serving, lower-earning staff.

Chief Secretary to the Treasury, Liz Truss, said:

> It is clearly wrong when people leave public sector roles with massive payoffs. It incenses the public when they see their hard-earned money used badly like this.
>
> That’s why we are capping exit payments to stop unacceptably large pay-outs for senior managers.

Under government plans, exit payments under the cap – covering redundancy lump sums and pension top-up payments – will continue to be available so public sector employees can support their families, find new employment or have a bridge until retirement age.

While capping pay-outs at the top, the government is delivering the biggest public sector pay rise in ten years, announced last summer, with the highest rises going to the lowest paid nurses, teachers and police officers. The government announced in May 2015 that it intended take forward its commitment to end six-figure exit payments for public sector workers. It has been considering the most appropriate way to implement the cap, and is now announcing how it intends to introduce it.