



Cabinet Office



Civil Service Pensions

Civil Service Compensation Scheme

Scheme Application Form – Guidance For
Completion of Bulk exits.

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Purpose

The purpose of this guidance note is to support you on the technical areas when completing the appropriate form(s) and supporting business case(s) for Cabinet Office' s consideration. The form(s) should be completed in conjunction with the CSCS guidance, which can be found at [Annex 6F of the Employers Pension Guide](#)

Approval(s)

Employers must have Cabinet Office approval to run any single exit or bulk exit scheme(s) under the Civil Service Compensation Scheme (CSCS). No offer(s) should be made to staff in any circumstance without prior approval.

Please note that explicit Cabinet Office Ministerial approval is required for;

- any exit scheme(s) involving 100 or more staff, and;
- any exit with a value of over £95,000 (this also includes exits that have been approved previously as part of a bulk scheme)

Applications for approval must be submitted on the following forms; and can be found at [Annex 6C of the Employer Pension Guide](#)

- Application for single person scheme over £95,000
- Application for a single person scheme – This is an application for Single exits where packages are less than £95k
- Application for a bulk scheme

Please note: if you have received approval for a bulk scheme and an individuals package is in excess of £95,000, you will be required to gain further approval.

Application forms and any queries about the process should be sent to redundancyschemes@cabinetoffice.gov.uk

Timing

Exit requests for compensation payments above £95,000 and/or 100 or more employees will require Ministerial approval which may take up to 10 days or longer if there are further queries to be clarified.

Additional scrutiny of bulk schemes for 100 employees or more

All bulk exit schemes for 100 employees or more will be referred to the Minister for the Cabinet Office (MCO) for approval. To support the application you should include a short background business case as part of the application. As a minimum we would expect an explanation of the following:

- The rationale for the scheme
- Why the scheme represents value for money, particularly referring to the tariff used and the rationale for Employer pension buy out (if offered in VE)
- The overall cost of the scheme against savings to be made.
- Confirmation that the Employer is retaining skills needed for the future.
- The attempts made to redeploy either internally or externally.

Please note: approval of a bulk exit scheme will be provisional only. All single exits included in the bulk exit scheme that cost £95,000 or more will need to be referred back to Cabinet Office for further approval. You must complete an application form for a single exit above £95,000 for each of these individual high value exits.

Completing the form(s) – Part one

You will need to insert the name of your Department or Organisation into the box provided.

Type of departure and Flexibilities (incl. tariff)

Where staff are in scope for an exit exercise you should consider the type of exit scheme required - Voluntary Exit (VE), Voluntary Redundancy (VR) or Compulsory Redundancy (CR). You will need to put an 'X' in the relevant box(es).

TIP: For many situations VE schemes may be the most appropriate and quickest approach.

If appropriate, you may apply for all three (VE, VR/CR) schemes at the time. When approved, each scheme will be allocated a separate identifier to ensure MyCSP can process quotes/awards appropriately.

Flexibilities

Voluntary Exit Scheme (VE)

There are a number of flexibilities available which, are as follows; You will need to put an 'X' in any of the flexibilities that you wish to apply for your scheme.

- Employer can determine the **tariff offered** - you do not have to offer the standard tariff of one months' salary (Capped at 21 months). Employers may include a higher tariff up to 2 x standard, or a lower tariff as a percentage, decimal, set/capped amount.

Employers should expect Cabinet Office challenge on the degree to which you have explored whether it is possible to achieve voluntary exits on less than the standard terms.

- Employer funding of early access to unreduced pension (often known as employer "pension buy out" or "pension top up").

This provision may increase the value of the exit package, quite significantly in some cases and as such Employers will need to justify why this option has been chosen.

Guidance on discretion to vary qualifying service is contained in Annex 6F. You will need to provide further justification on the use of the flexibilities within Part 2 of the application.

Voluntary Redundancy Scheme (VR)

The flexibilities under VR are limited. Employers **must**;

- offer the standard tariff **and**,
- offer the Employer pension buy out (for eligible staff in accordance with the CSCS rules)
- Please refer to annex 6F about flexibility to vary qualifying service

Compulsory Redundancy (CR)

The flexibilities under CR, like VR, are limited. An employer must;

- Offer the standard tariff.

There is no discretion under CR to vary the qualifying service or to offer the early access provision (employer top up).

Individuals must have been offered a VR scheme in the first instance; this is in accordance with the CSCS rules. Employers must be explicit when offering VR terms that the individual is at risk of CR. The CR scheme, when run, must be linked to the previous VR scheme unique identifier. Schemes approved jointly (VE, VR/CR) will be allocated separate unique identifiers.

Notes

This section provides you with an opportunity to provide any additional information that you feel is required such as TUPE terms, details of any tariff under standard that is a comparison of terms such as best of 3 weeks for every year or 12 months.

Other:

To proceed with VR and/or CR scheme, you will need to confirm that formal consultation has begun.

You will need to input the number of exits and quotations that you anticipate to be under the scheme(s) that you are requesting. If you are planning to launch various schemes ensure you put in the numbers relevant to the anticipated scheme. This is for the administrator – you will be required to provide more information relating to this within Part 2.

You will also need to include your anticipated date of exit.

TIP: You should have contacted MyCSP to ensure deliver of your scheme will be possible.

Please ensure that you sign the form. Without a signature, your form will not be progressed.

Completing the form(s) – Part two

Rationale

You will need to provide the reason for the proposed scheme by answering yes or no to the rationales listed. You are also being asked to expand on your reason why you believe that launching a scheme is appropriate and justified measure.

If you intend to launch a VR and/or CR scheme, you will need to explain why you do feel that a VE scheme is appropriate.

Selection Criteria

The selection criteria used by Employers for any exercises they run will be scrutinised by Cabinet Office. It is important that Employers consider carefully the rationale for the exit scheme and the criteria they will use to select people for exiting the organisation. It is for Employers to consider the criteria they use for exit schemes but as part of the approval process, the Minister for Cabinet Office will expect all Employers to have considered three broad criteria; value for money, overall cost and retention of key skills. This is required for VE, VR and CR schemes.

Projected numbers of exits and estimated costs

As suggested within the guidance at part 1, you are required to provide further information/detail on;

- the numbers of exits/redundancies
- intended dates
- associated costs.

Voluntary Exit Scheme (VE) Flexibility Justifications

As suggested in part 1 of this guidance, this is where you are required to provide further justification on the flexibilities that you may have included within your scheme. If the flexibility does not apply to your scheme, you should add N/A.

Points to note

Employers should note;

- All sections of the form must be completed. If a section is not relevant, e.g. if there is no deviation from the standard tariff that section of the form should be marked 'not relevant' .
- It is the Employer's responsibility to ensure that the information and costs recorded on the form are accurate
- In no circumstances should the employer make offers to individuals without first having Cabinet Office approval for the exit(s).
- If the cost of an exit increases the employer must refer it back to the Cabinet Office for further approval.