

JOINT STATEMENT BETWEEN COUNCIL OF CIVIL SERVICE UNIONS (CCSU) AND CABINET OFFICE

Civil Service Pensions Update

This statement updates you on our discussions on Civil Service pension arrangements. Our last update was through an Office Notice (**insert reference...**) issued in [October].

In the previous joint statement, we updated scheme members on the outcome of the Public Services Forum (PSF) discussions on public sector pensions. The detailed principles agreed at (PSF) are available on the Civil Service Pensions' and unions' websites and have been widely reported in the media. As we explained, these principles apply to negotiations in the Civil Service and other parts of the Public Sector. The Civil Service negotiations have now started following formal ratification of the PSF principles by the CCSU.

Early discussions between the Cabinet Office and CCSU have progressed constructively. In particular, we agreed to ring-fence the current pension arrangements (**classic, classic plus & premium**), including pension age, not only for existing staff but also for those who join before any new arrangements are agreed. This follows from the statement in paragraph 4 of the agreed PSF principles. We are interpreting this as meaning that your pension arrangements and pension age will carry on as now unless any changes are agreed or required by legislation. Cabinet Office also confirmed that there will be no change to the pension arrangements for the small number of Civil Servants who are in the **partnership** (money purchase) arrangement.

We also agreed that the money left after meeting the cost of the ring-fencing referred to above will be used to provide the best possible defined benefit pension scheme for new entrants. The Cabinet Office and CCSU are now working together to agree, by March 2006, the broad features of the arrangements for new entrants.

Separately, you should have been told about pension and tax changes arising from the new simplified tax regime coming in effect from April 2006 (see **Office Notice (insert reference.....)**): these changes are unrelated to pension reform covered by the PSF principles.