



# Employer Pensions Notice

## EPN 142

### New print supplier for Civil Service Pensions

### Instructions for ordering Starter Packs and publications

**Audience** This Notice will be of particular interest to:

- **recruitment** - for ordering Starter Packs and scheme overview leaflets
- retirement actions and pre-retirement courses – **for ordering the booklet 'Thinking about retirement'**

**Action** To use the new order and contact details from 27 March 2006

To update your Employer's Pension Guide with the attached replacement pages

To note the future introduction of on-line ordering

**Timing** 27 March 2006

1. The current print and supply contract with Linney Direct ends on 31 March 2006. In accordance with EU Procurement Directives and good practice, Civil Service Pensions Division (CSPD) put the requirement out to tender.

2. CSPD have awarded the contract to St Ives Direct Mail Romford Limited following an extensive procurement exercise. The contract with St Ives offers improved solutions to ordering and supply to both CSPD and to employers and APACs, with on-line ordering and order tracking to be introduced shortly.



## Services to employers

3. St Ives will receive and fulfil your orders for Starter Packs and also orders for the revised and redesigned scheme overview leaflets:

‘Pension Choices – an overview’ and

‘partnership pension account – an overview’, and

‘Thinking about retirement’ – a booklet to use in association with pre-retirement courses or for anyone thinking about their retirement plans.

## Starter Packs

4. The procedure for ordering Starter Packs, and the information required for ordering remain the same. The turnaround time for processing and despatching Starter Pack orders is 48 hours from time of receipt of order. Starter Packs are sent out by 2nd class post. The pack contents are unchanged and are as announced in EPN 130. You can order in the same way as you do now, using the form available on the Employers section of our website under ‘Forms’, but using the St Ives contact details below.

5. In addition we will shortly be introducing an on-line order system – this will ask for the same information as the current DRF1 form. Your order will be processed directly from the system using the information you have supplied, avoiding any loss or re-keying errors. You will be able to check on-line when the pack you ordered has been despatched. If you are unable to access the order screen, for example if your IT systems block access, you can still use the order form on the CSP website as now, or alternatively:

- a. Download the DRF1 form from the website, complete and email it to:

**cspdorders@stivesdirect.com**

- b. Download the DRF1 form from the website, complete and send it by fax to:

**FAX Number : 0870 0131 694**

- c. Download the DRF1 form from the website, complete and post it to:

St Ives Direct  
St Ives House  
Faringdon Avenue  
Romford  
Essex  
RM3 8XL  
Telephone: 0870 0131 693

- d. Orders will not be accepted by telephone.

6. **Multiple orders** - These can be placed via email using the current spreadsheet as now. (You can download the spreadsheet from the website ‘Forms’ section).

7. When completing the form please complete all sections in full. If you are completing the form off-line please give your full department name so that it can be verified – ‘HR section’ is not helpful! St Ives will be instructed, as Linney Direct were, to check any incomplete department names with the orderer and this can create a delay in processing

8. In all instances it is important to select the correct APAC as this appears in the personalised letter with the pack, to give the new member contact details for any pensions queries. If you are unsure who your APAC is, there is a section on our main website under ‘Helpline’ – link from the front page text or use the search facility.

### **Publication orders**

9. To order supplies of the overview leaflets or ‘Thinking about retirement’ booklet, the order form is on the Employer section of the CSP website under ‘Forms’. You will also be able to order these via the new online system when it is introduced and you will be able to check when your order has been despatched.

10. If you need copies of any other publications you should order them from your APAC.

11. All our publications are available in pdf format on our website under ‘Publications, rules and forms’. You can download these or email them to scheme members if they cannot access the website.

**Reference** This document refers to/replaces xxx

**Contacts** Enquiries about content, distribution or to receive in a different format

**employerhelpdesk@cabinet-office.x.gsi.gov.uk**

**01256 846414**

**Employer Helpdesk, Civil Service Pensions, Grosvenor House, Basing View  
Basingstoke, RG21 4HG**

You can find copies of all current EPNs and forms on our website  
**www.civilservice-pensions.gov.uk** in the Employer section  
username **employers** password **mc2fxqfy**

**4.1.38** The circumstances are that one of the following conditions must be met:

- The **member**, following re-employment, is re-employed by a different **PCSPS** employer. So, someone being re-employed by Department B, having retired from Department A, would meet this condition. Where someone is re-employed within the same Department, but (say) by a different Agency, the 'new employer' condition will be met only if the new Agency has responsibility for setting its own employment terms and conditions.
- The **member** is re-employed in a different capacity. For generalist staff (the majority in the Civil Service), this will mean re-employment at a lower responsibility level (in old speak, at least one grade below that in which they were employed before retirement). The condition will not be met if there is a promotion (including temporary promotion) during the period of reemployment. For staff employed as specialists before retirement, it will be sufficient if they are re-employed in a generalist post (and carrying out duties accordingly).
- The **member** left with benefits under the **CSCS** with **AER, CER, FER, CES** or **FES** terms and is re-employed by the same or a different employer, in the same or different capacity, provided the early retirement was for genuine management reasons.
- The **member** left the **classic** or **classic plus** scheme (but not **premium**) and is re-employed part-time on no more than 75% of their hours before retirement. The move

to reduced hours must be genuine and accompanied by a corresponding reduction in pay.

- Where a **member** is given an enhancement (up to 6 2/3 years) on early retirement, and the break in service is less than the enhancement, reckonable service during re-employment is reduced by the difference. They do not have to pay contributions during this time.

**4.1.39** You (and re-employed pensioners) should be aware of the following:

**a)** any Civil Service pension benefits in payment will be subject to **abatement** in the usual way, regardless of the pension option chosen.

**b)** pensioners who are eligible to rejoin **premium** do not have an option to aggregate their previous service but pensioners who are eligible to rejoin **classic** do have an option under certain conditions. You will need to contact your **APAC** for details.

The earlier service will not count as 'qualifying service.' This means that benefits such as pensions for spouse/partner on death in service will be calculated separately in relation to service before and service after retirement.

**c)** re-employed pensioners will be subject to the current tax regime for pension. In particular, this means that they cannot – whichever pension option they choose – earn pension on any salary in excess of the **earnings cap** (£102,000 in the tax year 2004-2005) unless they have been offered and accepted **membership of the Civil Service Supplementary (Earnings Cap) Scheme**. (See Section 3.4, table 1(iv) for further information.)

**4.1.40** If a **classic member** retired on actuarially reduced terms and returns within 6 months, the previous award will be cancelled from the date of their new employment and any new service will be automatically aggregated with existing service.

### Re-employed staff as casual (not fee-paid) and receiving **classic** pension

**4.1.41** For **classic** casual (not fee-paid) staff, their pension is revised as soon as they leave your employment. Where there has been no break in service, the revision will be based on the total length of re-employed service. If re-employment begins after a break of one day or more, the **member** must have served 182 days continuously for a revision to be made. Your **APAC** will be able to give you more details on this.

### Formal Retirement

**4.1.42** Formal retirement, with very limited exception, was withdrawn some years ago. It remains available only in those few areas where, on the basis of legal advice, an employer was unable for a group of staff to give notice and end a contractual right to retirement with immediate re-employment at the same level. Where a reserved right to formal retirement exists, this can only be exercised within the **classic** scheme, and those **members** who wish to retain the reserved right remain **members** of this scheme.

**4.1.43** Those **members** of **classic** who exercise their reserved right will remain **members** of **classic** on immediate re-employment, i.e. you do not treat them as new entrants. Formal retirement is not permitted under the current rules and should not be offered to anyone other than those who have a reserved right.

**i** Annex 4B contains texts for you to use in your Letter of Appointment.

Each text is tailored to the specific circumstances of the new entrant.

Annex 4D will help you identify which pack and text to send.

### Transferring benefits into the CSP arrangements

**4.1.44** If you have a new entrant who wishes to transfer their benefits from a previous pension into the **CSP arrangements**, you should refer them to your **APAC**.

### Starter Packs

**4.1.45** The 'Starter Pack' contains all the necessary pensions information for new entrants. There are two packs, a 'full pack' for entrants eligible to join **premium** and **partnership**, and a '**partnership** pack' for entrants who may only join the **partnership** pension account. You can download all the booklets from both packs from the **CSPD** website.

**4.1.46** The full pack for eligible entrants contains:

- An introductory letter with a PensionChoices form attached. This form also allows the new entrant to make a death benefit nomination.
- ‘Your pension, your choice’ – a booklet in Q&A format designed to provide enough information to allow a new entrant to choose between **premium** and **partnership**.
- A set of three leaflets supplied by the **partnership** pension account providers which provide background information and contact details for new entrants interested in this arrangement.
- A return pre-paid envelope which will allow the new entrant to return the PensionChoices form to the address indicated by the employer on the DRF1.

**4.1.47** The **partnership** pack for those entrants who may only join the **partnership** pension account contains:

- An introductory letter with a PensionChoices form attached. This form also allows the new entrant to make a death benefit nomination.
- ‘Your **partnership** option’ booklet.
- A set of three leaflets supplied by the **partnership** pension account providers which provide background information and contact details for new entrants interested in this arrangement.
- A return pre-paid envelope which will allow the new entrant to return the PensionChoices form to the address indicated by the employer on the DRF1.

**4.1.48** All pensions material including the Starter Pack is distributed from our print and distribution suppliers, St Ives Direct Mail Romford.

## Letter of Appointment

**4.1.49** The appropriate text at Annex 4B should be inserted into your standard letter of appointment. Your Letter of Appointment should be sent before the person starts work. If this is not possible, then the text at Annex 4B should be included in the ‘Start letter’ or similar communication that is sent to the new entrant with details of their joining arrangements. The flowchart ‘Which pack and text does a new entrant get?’ at Annex 4D will help you select the correct text.

### Important note

It is your responsibility to ensure that the new entrant receives their pension scheme information within the legal time limits and in good time to make their choice. The Disclosure Regulations specify what information must be provided on joining or within two months of that date. New entrants have three months from starting in which to register their choice.

**4.1.50** The Letter of Appointment, or Start letter, as appropriate, will advise the new entrant that they should receive the Starter Pack within 1 week. If it does not arrive within this time, they should contact you and you should follow up the delivery with St Ives. You should not give St Ives’ details to the new entrant, as they will refer that person back to you so that you can order a replacement pack.

**4.1.51** You should enclose a health declaration form (see Annex 4E) with the Letter of Appointment or Start letter for all new entrants except those over 55 and casuals and fee-paid employees. Different arrangements apply if the new entrant is a former civil servant rejoining the service within 6 months of leaving. Further information on the health declaration and the recruitment health standard is in section 4.4.

## Issuing Starter Packs

**4.1.52** When issuing the letter of appointment (or earlier communication, as appropriate) employers must, at the same time, ask St Ives to issue a Starter Pack. The flowchart 'Which pack and text does a new entrant get?' at Annex 4D will help you ask for the correct pack.

**i** You can download the DRF1 order form from the CSPD website under 'Forms'. It can be completed online and sent as an email attachment or you may fax or post your order form. You will find a hard copy at Annex 4F. St Ives' contact details are on the form.

### Important note

It is your responsibility to ensure that each new entrant receives the correct Starter Pack. It will help you to ask New Entrants at their induction if they have received their pension Starter Packs. This will prompt them to make their pension choice and will help you to identify anyone who has not received their pack.

⊕ This distribution arrangement is designed to ensure that all new entrants receive an up-to-date Starter Pack within 1 week of issue of their Letter of Appointment, or start date, whichever is the earlier.

## When the member joins

**4.1.53** You must enter all eligible new entrants into **premium** from their first day, unless they have registered their choice to join the **partnership** pension account by that time. (This is because **premium** is the 'default' pension scheme in the CSP arrangements.) The members will pay employee contributions of 3.5% of pensionable earnings.

You will need to instruct your payroll provider to set up their pay record with these deductions from their salary. You should have arrangements in place to notify NICO that the new entrant has started work and is contracted-out of the State Second Pension.

⊕ If they subsequently choose the **partnership** pension account, or opt out, your payroll provider must unscramble their contributions and repay them providing they register their choice within 3 months of their start date. See paragraph 4.2.25 for information on unscrambling.

### Important note

Although you will enter all eligible new entrants in **premium** at the start of their employment, you should encourage them to return their PensionChoices form, as this also includes their death benefit nomination and other important information.



## When the member decides

**4.1.54** The new entrants will send their PensionChoices form and the **partnership** provider's application form and the **partnership** provider's application form, if applicable, to you or your APAC for action, as detailed in their Letter of Appointment. (As employer, you decide how you process the forms. If you wish your APAC to receive them, you need to include the process in your SLA.) The form in the full pack covers both **premium** and **partnership** options, and includes a death benefit nomination form. The form in the **partnership** pack covers the **partnership** options and includes a death benefit nomination form.

## Opting out

**4.1.55** A new entrant may indicate on their PensionChoices form that they do not wish to join any of the CSP arrangements. They have the right to do this in spite of being eligible. You should forward the PensionChoices form (if they come to you) to your APAC immediately. They will follow up the decision with the new entrant by letter to ensure that the new entrant is aware of what they are giving up and to confirm that they wish to proceed. This is because they are giving up benefits beyond just a retirement pension. These include potentially valuable contingent ill-health and death benefits.

**4.1.56** When the member confirms their wish to opt out and providing that they indicated to opt out within their first 3 months, you (or your **APAC** if they also handle payroll) must:

- refund to the employee any **premium** pension contributions they have paid, less income tax, and less the employee's **CEP** for that period;
- recover overpaid **premium** scheme **ASLCs** from the Cabinet Office Civil Superannuation, and
- calculate the employer's **CEP** and reinstate the employee into **S2P** from their first day by paying the employer's and employee's **CEP** to **NICO**.

### Important note

The following paragraphs on processing applications assume that PensionChoices and application forms come to you. If you ask that new entrants send the forms to your APAC, the same things will happen, but in a modified order.

## Processing premium applications

**4.1.57** If **premium** is selected, you should check

- the member's eligibility,
- that the form is complete

and then forward the form and any attached information details to your **APAC** immediately for follow-up action. A choice for **premium** will not involve any action for you, as the member will already be enrolled in the scheme.

**4.1.58** Your **APAC** will record details of the death benefit nomination on PenServer, acknowledge the member's choice and follow up any transfer or aggregation actions required, or requests for further information.



## New entrant wishes to transfer other pension benefits into their premium account

**4.1.59** If a new entrant wishes to transfer any other pension benefits they may have into **premium**, they are prompted to do so in the PensionChoices form. Alternatively, they can contact your **APAC** direct.

## Processing partnership applications

**4.1.60** The processing of **partnership** applications is covered in section 4.2.

**Pensionable earnings:** as a general rule, only permanent items of pay are pensionable. This will include any pensionable allowances but will not include payments such as overtime. The employee may also have some non-cash pensionable earnings. For example, some people may receive 2% uniform allowance and others may have an allowance for accommodation. In these circumstances, you should also pay contributions based on the equivalent cash value of these non-cash pensionable earnings.

#### Important note

Only earnings up to the **HMRC** earnings cap are pensionable. Annex 4I provides information on the earnings cap and explains how you should calculate contributions for employees with earnings above the cap.

Age-related and matching payments: employer contributions are in two parts, age-related and matching.

- You pay an age-related contribution for all **partnership** members whether or not the member contributes. The level of contribution depends on the employee's age at the beginning of the current tax year (on 6 April last). Table 1 in Annex 4J sets out the percentage contribution. Please put the appropriate percentage on the provider application form.
- The employer matching contribution depends on whether, and how much, the member chooses to contribute to **partnership** as a regular contribution. Check the employee section of the provider application form for the section under employee contributions. If the new entrant has entered a % employee

contribution, you will match this up to 3% of the employee's pensionable earnings. This means that if the new entrant wishes to contribute more than 3% of their pay, you will only match with an employer contribution of 3%. In exceptional circumstances, you can make a higher contribution provided that these are justified on a case by case basis as necessary for recruitment and retention purposes. All cases must be reported to **CSPD** (Employer Helpdesk in the first instance); you will need to ensure that your payroll provider and the pension provider are fully aware that non-standard contributions are to be paid.

#### End of year considerations

Special care is needed where an employee:

- joins **partnership** late in the tax year (i.e. between January and April); and
- has their contributions backdated to cover the 3- month option period, and
- opts to make contributions of over 3%

If the backdated contributions are sent to the provider after 1 April of the new tax year the employee could exceed **HMRC** maximum contribution limits (see column b of Table 1 Annex 4I).

In these cases, the employee will have to consider carrying back the employee arrears into the tax year to which they should apply.

Annex 4J provides examples and further information on how to calculate **partnership** contributions.

Payroll Reference Number: this is the employee's payroll reference number.

## Step 5

Send provider application form to the provider. You should send applications in bulk each week to each provider and email the providers a weekly summary of the applications you have sent (the new entrant schedule). Please see Annex 4K for details of the weekly summary.

You can email this to the providers. Annex H contains the email addresses for all providers.

## Step 6

Instruct Payroll. Please instruct your payroll provider to begin making the necessary deductions from the new entrant's salary and undertake any unscrambling action if this is required. (See 4.2.25) You can use a copy of the provider application form to do this. Your payroll provider will then send both the employer and employee contribution to the chosen provider.

### Important note

You must be sure that the provider application form will reach the provider in good time so that the account can be set up before the providers receive the first payments from payroll.

## Step 7

Send the PensionChoices form to your **APAC**. Do not send it to the provider. Your **APAC** will use this to update the member's pension record.

### Incorrect offer and subsequent take up, of **partnership**

**4.2.6** If a new entrant joined **partnership** because they were misinformed about their eligibility to choose an alternative pension scheme, you must give them the opportunity to change schemes (according to the eligibility rules). You must treat them as

a new entrant and ask St Ives to send them a full Starter Pack. They should have 3 months in which to decide but should be encouraged to return the PensionChoices form as soon as possible.

**4.2.7** As this situation arises as a result of incorrect information from the employer, you must inform them that you will take appropriate steps to see that they are not financially disadvantaged if they now wish to change scheme.

**4.2.8** If they do decide to change scheme you must ask the employee to complete a switch form (if they are switching from **partnership** to **premium**), which is available from the **CSPD** website. If you misinformed a member who was eligible to rejoin **classic**, you must ask the member to write to you with a request to go back into **classic**.

**4.2.9** You will then need to complete a Change of Circumstance form, see Annex 4L, and send it to your payroll for action.

**4.2.10** You must inform the member that if service in the new scheme is to be backdated to date of entry they will need to contact their provider to ask for a transfer of their **partnership** fund into the pension of their choice. Once this is completed it will be up to you, as the employer, to calculate any loss of reckonable service from the transfer for the **partnership** account into the main scheme. You must make up the shortfall by a one-off payment to the **Cabinet Office Civil Superannuation**.

**4.2.11** Any additional employee contributions over and above the contributions the member would have expected to pay in the main scheme must be refunded to the employee through the payroll.

## New Entrant Starter Pack – despatch request form DRF1

You **must** complete fully **all** parts of this form. **Please write clearly.**

<b>Part A Your details as employer</b>	
Your name	_____
Your Department/Agency	_____
Your address	_____ _____ _____
Postcode	_____
Telephone	_____
Fax	_____
E-mail	_____
Your APAC ( <i>tick one box</i> )	
04 Paymaster	<input type="checkbox"/> 07 DWP Runcorn
06 DWP Newcastle	<input type="checkbox"/> 09 Home Office
08 FCO	<input type="checkbox"/> 16 Department for Transport
14 Ministry of Defence PPA	<input type="checkbox"/> 18 DTI
17 Capita	<input type="checkbox"/> 40 Paymaster (Met Police)
05 HMRC	<input type="checkbox"/>
Where do you want the New Entrant to return the choice form ? ( <i>tick one box</i> )	
Employer at above address	<input type="checkbox"/> APAC <input type="checkbox"/> Other <input type="checkbox"/>
If Other please give full address details including postcode	
.....	
.....	
.....	
.....	
<b>Part B – New Entrant’s details (The pack will be sent directly to the new entrant)</b>	
New Entrant’s full name (incl title) _____	
New entrant’s address _____ _____	
Postcode _____	
New entrant’s date of birth (dd/mm/yy) (if known) _____	
New entrant’s National Insurance number (if known) _____	
<b>(These details are very important)</b>	
Pack required (tick one box only)	<input type="checkbox"/> Full <input type="checkbox"/> Partnership
New entrants with a visual impairment may benefit from receiving their pack in one of these formats. (tick one box only)	<input type="checkbox"/> Large print <input type="checkbox"/> Braille <input type="checkbox"/> Audio tape
<b>Part C - Send this form to St Ives.</b>	
St Ives Direct Mail Romford	Fax 0870 0131 694
St Ives House	e-mail cspdorders@stivesdirect.com
Faringdon Avenue	Telephone 0870 0131 693
Romford	
Essex RM3 8XL	