

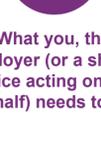


A guide for employers

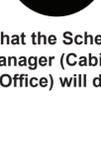
What to expect... ...when you set up an exit scheme.



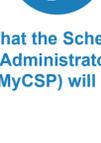
How long each step takes



What you, the employer (or a shared service acting on your behalf) needs to do



What the Scheme Manager (Cabinet Office) will do



What the Scheme Administrator (MyCSP) will do

You are thinking about running an exit scheme



This guide shows the steps involved in running an exit scheme. It does not include any timescales for your internal planning, so you may be able to reduce the overall timescale depending on your internal processes.

The timescales in this guide are all approximate. The exact time of the **Scheme Administrator's** work will be confirmed to you following the receipt of your F1 form, and will depend on the number of employees involved in your exit scheme.

Step one: timescales can vary by employer



You should contact **the Scheme Administrator** as early as possible to discuss the timescales for running your exit scheme.

You should factor the payment process into your timescales, as employers are responsible for making compensation payments from 01 January 2019. (Please see Step 7 below for more information about this process).

You can contact **the Scheme Administrator** using the dedicated exit scheme email address: exit.schemes@mycsp.co.uk

You will also need to draft your business case and decide on the selection criteria for the exit scheme.

Full guidance can be found in the **Employer Service Guide (EPG)** in the Employer section on our website: www.civilservicepensionscheme.org.uk

- **Section 6, Annex C** for help with your business case.
- **Section 6, Annex F** for general guidance on exit schemes.

You are running an exit scheme

Step two: up to 10 weeks



You must use the form from **Section 6, Annex C** of the **EPG** to submit your business case to the **Scheme Manager's** mailbox.

redundancyschemes@cabinetoffice.gov.uk

The **Scheme Manager** will send you a **Cabinet Office approval form** and reference number if your exit scheme is approved.



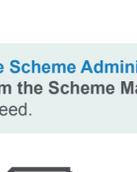
You need to follow this process for every exit scheme.

The Scheme Administrator will make calculators available. You can use these calculators to get an early indication of any compensation packages that will be over £95,000. The total compensation package is not just the compensation payment. It includes any **employer top-up** costs from buying out the early payment reduction on pension benefits.

You will need to get specific **Scheme Manager** approval before agreeing an individual exit where the total compensation package is over £95,000.

If one of your employees chooses to buy out the early payment reduction of their pension, they must use their **Civil Service Compensation Scheme (CSCS) payment** towards this before any employer top-up payments.

Please note, the employer top-up only applies when an employee is an active contributing member of the Civil Service pension arrangements. **EPN438** has more information.



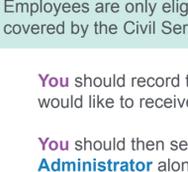
You should contact **the Scheme Administrator** who will send you an **F1 form**. You should use this form to supply the details of your exit scheme.

Allow at least **two weeks** to negotiate and agree timescales with **the Scheme Administrator**.

Costs and timescales will be confirmed once an agreement has been reached.



The Scheme Administrator cannot start any work until you have **approval from the Scheme Manager** for the exit scheme and the **F1 form** has been agreed.



The Scheme Administrator will provide you with a control sheet to complete.

You will need to run your own application and selection process.

Employees who want to apply need to complete a **CSCS1** application form and return it to you.



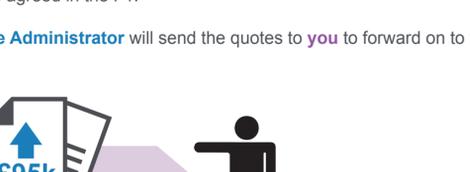
Employees are only eligible for compensation if they leave all employment covered by the Civil Service Compensation Scheme (CSCS).

You should record the details on the control sheet of any employees you would like to receive a quote.

You should then send the completed **control sheet** to **the Scheme Administrator** along with the **CSCS1** forms.

Receiving the quotes

Step three: two to three weeks



The timescale to produce quotes will depend on the number of employees involved in your exit scheme.

The Scheme Administrator will produce the quotes, and work with you to resolve any data queries.

The timescale needed to resolve any queries could have an effect on the delivery date agreed in the F1.

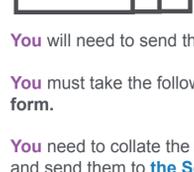
The Scheme Administrator will send the quotes to you to forward on to your employees.



You should not forward any quotes to employees where the compensation package is over **£95,000** until you have obtained further **Scheme Manager approval** (see Step 2 for more information). You will need approval for each individual exit.

Employees review their quotes and ask questions

Step four: two to four weeks

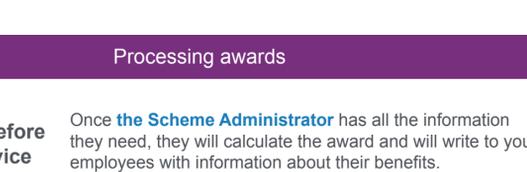


You should be the first point of contact for employee queries, and ask for further guidance from the **Scheme Administrator** if required.

The Scheme Administrator recommends allowing **20 working days** for this step.

Returning the forms

Step five: up to three weeks but timescales can vary by employer



You will need to send the employees who are leaving their **notice letters**.

You must take the following action by the deadline you agreed on the F1 form.

You need to collate the returned Compensation Declaration Forms (CDF) and send them to **the Scheme Administrator** with the **control sheet**.

This confirms who has been selected and their last day of service.



You must send **the Scheme Administrator** the **Scheme Manager approval** for any cases where the compensation package is **over £95,000** before their awards can be processed and, if required, discuss with **the Scheme Administrator** any revised timescales.

Processing awards

Step six: 20 working days before the last day of service

Once **the Scheme Administrator** has all the information they need, they will calculate the award and will write to your employees with information about their benefits.

The Scheme Administrator will instruct you of the final compensation value for payment through your payroll.

The Scheme Administrator will process the benefits based on current interface information held. If a change has occurred between the quote and award stage, we will process the revised pension benefits into payment and notify you of the final compensation value accordingly.

You will need to work with **the Scheme Administrator** to deal with any queries your employees may have.

Paying the awards

Step seven

If the employees fully completed CDF form is received by the date agreed on the F1 form, **the Scheme Administrator** will notify you of the final compensation value in the timescales agreed.

If the CDF form is not received by the agreed date, you should manage the expectations of the member because when the final compensation payment will be made.

If an employee has chosen to claim their pension, their pension payment arrangements will be confirmed separately.



Where employees have chosen options to use their compensation lump sum to buy out pension, **the Scheme Administrator** will bill you separately for the buy out cost. Where applicable, if a residual compensation lump sum is payable, we will instruct you of the value for payment through your payroll.

Billing

Step eight: four to six weeks after the last day of service



The cost of any buyout, including employer top-up paid for your employees, will appear on the monthly bill you receive from **the Scheme Administrator**, depending on the employee's last day of service.

You will need to arrange to pay this to the scheme account in the normal way.

On the **F1 form** you agreed the costs of running your exit scheme with **the Scheme Administrator**.

If you have asked for any additional work to be completed as part of your exit scheme, your costs may have changed.

The Scheme Administrator will send you an invoice for the total administration costs. You should settle this within **30 days** of the date of the invoice.

Please note

The timescales in this guide are all approximate. The exact timings will be as agreed on your F1 form.

Visit our website for more information: www.civilservicepensionscheme.org.uk

Or you can contact **the Scheme Administrator** at: exit.schemes@mycsp.co.uk

The Scheme Administrator offers a range of employer and member training sessions on a range of topics (including exit schemes).

For more information visit the Training Services page of the MyCSP website at www.mycsp.co.uk