

# Spring Regional Employer Forums



Government  
People Group



# **Civil Service Pensions On Your Radar**



# Lifetime Allowance Abolition (1) - Policy



- From 6 April 2024 the Lifetime Allowance (LTA) was replaced by 3 new allowances:
  - Lump Sum Allowance - £268,275;
  - Lump Sum and Death Benefit Allowance - £1,073,100;
  - Overseas Transfer Allowance - £1,073,100.
- In 2023, Shadow Chancellor Rachel Reeves stated Labour would reinstate the Lifetime Allowance. Subsequent reports suggest LTA could be possibly be reintroduced at a higher level, but no written policy has been published.



# Lifetime Allowance Abolition (2) - Transition

- Individual and Fixed Protection 2016 will close to new applications from 5 April 2025.
- Members with historical protected higher amounts of LTA will likely have higher allowances (unless they've lost them).
- Members can apply for transitional tax free amount certificates if they have previously taken pension and not used full lump sum.





# Protected Minimum Pension age



- The current Minimum Pension Age (MPA) is 55. Members who were in service on 6 April 2006 have a protected MPA of 50.
- From 6 April 2028 MPA will increase to 57. PCSPS will continue to have protected MPA of 55 (50 for pre 2006 joiners).
- We are seeking legal advice about the position in Alpha.
- The Legal and General AVC, Partnership, and Concord schemes have a protected MPA of 55 for members who joined before 4 November 2021.



# Changes to the Civil Service Compensation Scheme

- Government remains committed to reforming the Compensation scheme.
- Changes aren't expected in the immediate future.
- Committed to providing at least 3 months notice before any new scheme terms come in.



# Annual Allowance - special arrangement for 2024



- 2015 Remedy “Rollback” means Pensions Input Amounts (PIA) are incorrect.
- 2022/23 Pension Savings Statement (PSS) were not issued for members impacted by 2015 Remedy
- By 6 October 2024, PIAs will be recalculated and a special PSS, including for 2022/23, will be issued.



# Annual Allowance - special arrangement for 2024



- The special statement is likely to show PIAs from 2012/13 to 2022/23.
- Members will enter these into an HMRC calculator to calculate, and if necessary, rectify their position.
- Separate 2023/24 PSSs will be issued by the 6 October deadline (usually sent by 31 August but will be later this year)
- We are considering changing the salary threshold at which PSSs are issued automatically from £100,000 to £130,000 to reflect the increased Annual Allowance of £60,000



# Partnership contribution rates

- The scheme was due to review Partnership contribution rates following completion of the 2020 Valuation and the change to the SCAPE discount rate.
- Due to competing priorities (2015 Remedy and Scheme Administrator change) there is now no change expected until at least April 2027



# Classic survivor benefits (Walker & Goodwin judgments)



- We continue to consult with the unions about the equalisation of adult survivor benefits under classic and classic plus, subject to the necessary member contributions having been paid to, and retained by, the scheme.
- We expect to make the changes in 2024.

# Pension Dashboard

- Schemes have deadlines to connect to the Dashboard.
- Public access will follow later, date to be confirmed.
- Public Service Pension schemes are expected to connect to Dashboard by October 2025.
- The deadline for all schemes to connect to Dashboard is 31 October 2026.
- Given change in administrator we expect to connect later than October 2025, but by 31 October 2026.

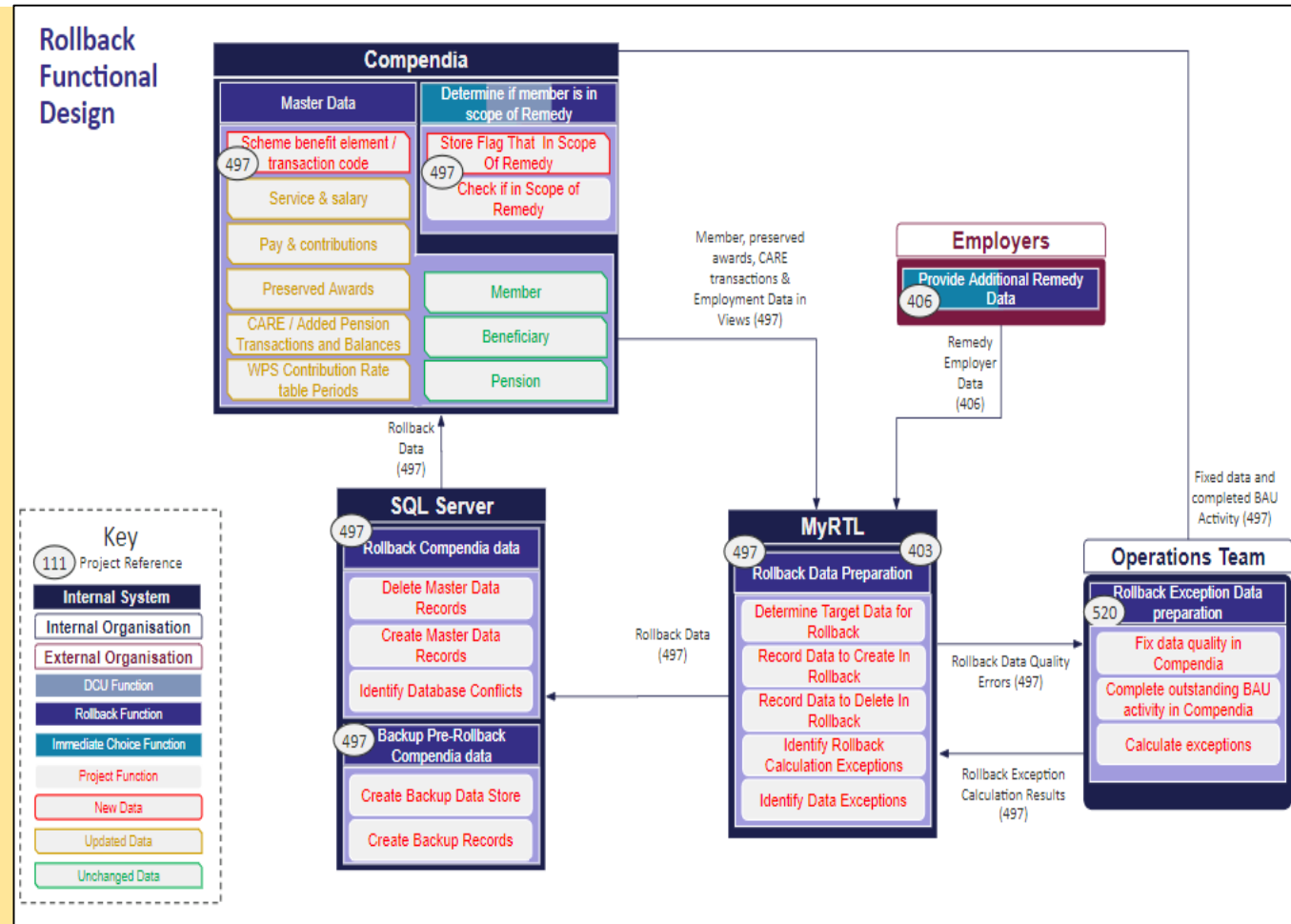




# **2015 Remedy (McCloud) Programme**

# Programme update: Implementation of rollback

- As required by legislation we returned all active and deferred members to a **consistent position for all service** in the Remedy period, known as rollback.
- 284,546 Active and Deferred members in scope for rollback.
- This has been a combination of automated and manual processes.
- 264,420 (93%) of member's accounted have been automated.**
- 20,126 (7%) have needed to be manually rolled back.



# Programme update: Deferred Choice Underpin (DCU) quotes

## Quotation statistics

- DCU dual quotes started to be issued from the beginning of **August 23**.
- As at **31 March 2024**, a total of **13,181** DCU quotes have been issued.
- **11,263** member options have been made.
- **58%** of members choosing Option A (Legacy).
- **42%** opting for Option B (Reform).



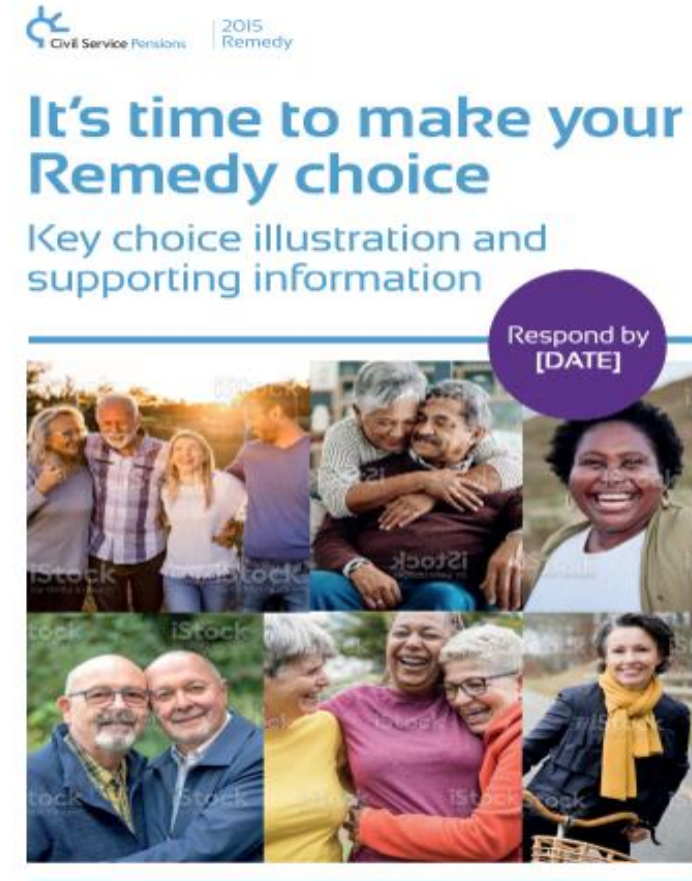


# Programme update: Remediable Service Statements

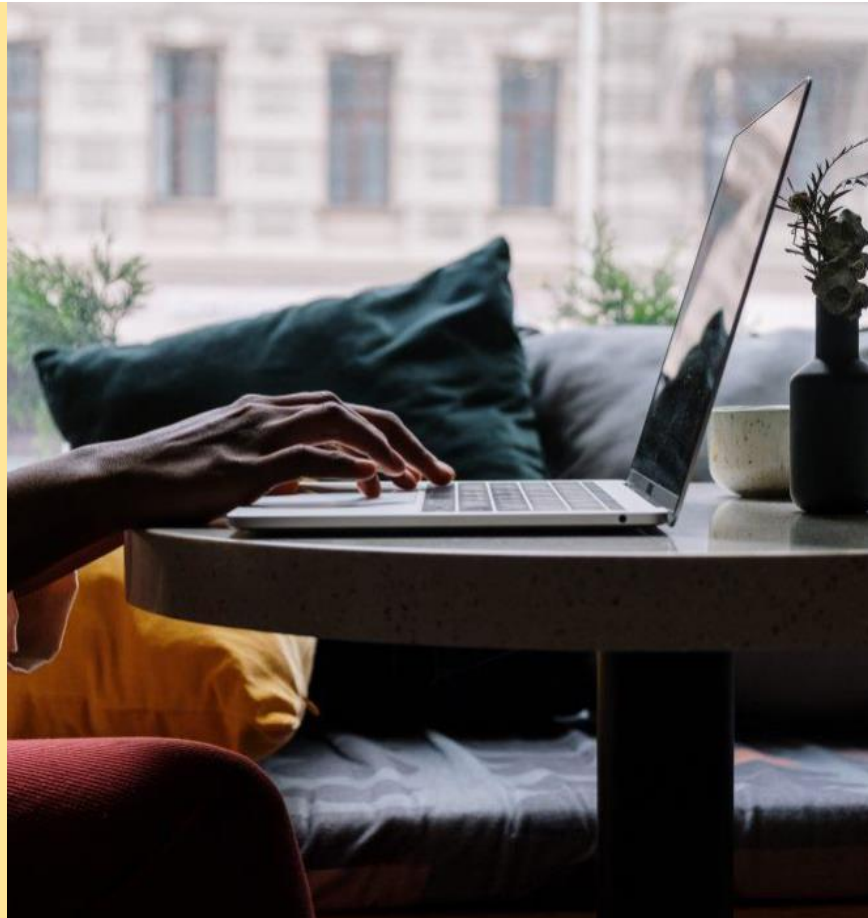
**Remediable service statements for the immediate choice (retired) members will be made up of:**

- Cover letter;
- Key choice illustration;
- Supporting information;
- Choice form – choice can be returned by post or made digitally.
- These will start to be issued Autumn 2024. All RSSs must be issued by April 2025

Work continues developing the digital portal for recording the member's choice.



# Programme update: Ill health



**Tranche 1 (Health Management Ltd refused members) and Tranche 2 (Health Management Ltd awarded members)- Complete**  
(for the period 1 July 2017 - 31 March 2022)

**Tranche 3 - c.1,370 Health Assured awarded members – Ongoing**  
(for the period 1 April 2015 - 30 June 2017)

- Member's Ill Health pack and letter distribution is complete
- Circa 480 members have consented to a reassessment
- Outcome reports from Employers and members to be shared with HML
- Reassessments to begin early April
- A small number of members have provided reassessment consent, but we do not have their outcome report. Alternate solutions are being discussed with our Legal Department, SMA and Policy colleagues

**Tranche 4 - estimated c.400 Health Assured refused members - Ongoing**

- Comms Strategy prepared

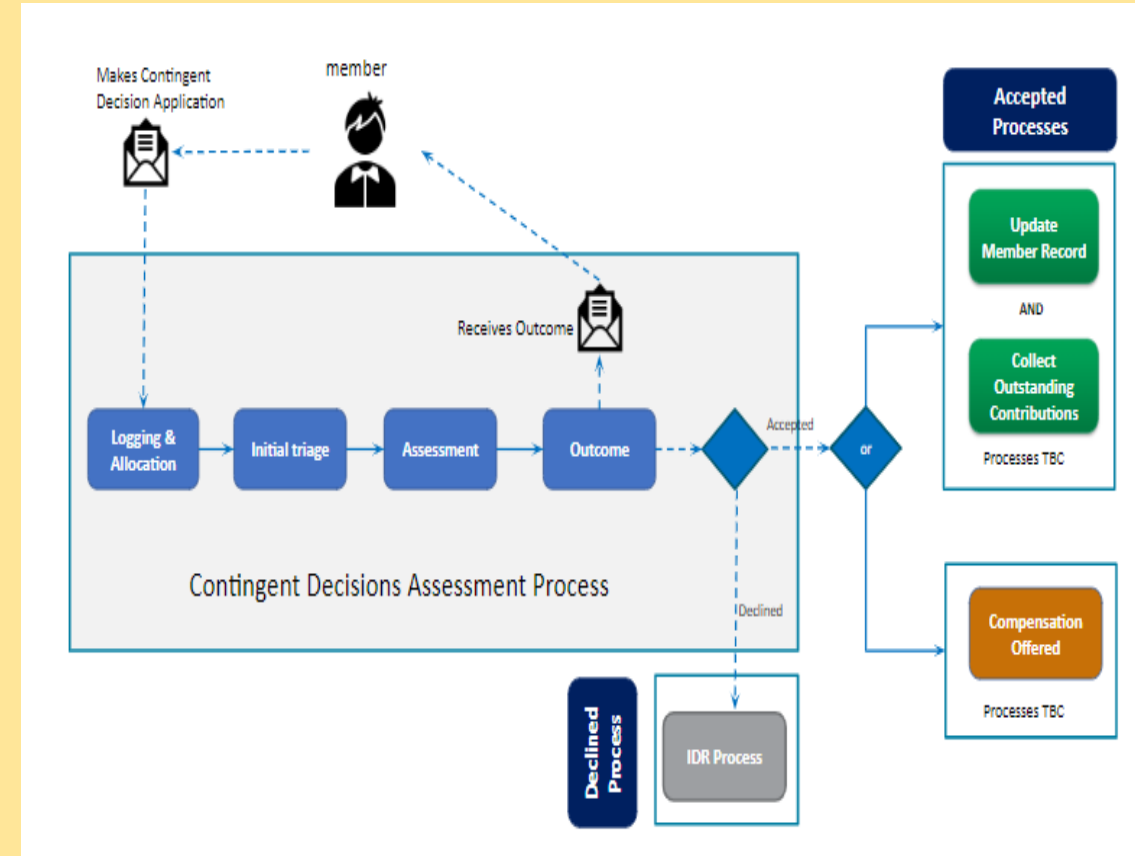


# Contingent Decisions

## What is a contingent decision?

A decision you made or did not make, **as a result of the introduction of the alpha pension scheme**. This applies only to members affected by 2015 (McCloud)

- Application process being created for members to put forward request and submit evidence to show decision related to the discrimination.
- We are exploring tools for members to use to estimate the cost of an opted out service election.
- Work is underway to ensure guidance is clear and consistent.
- We aim to open the process for member applications in the final Quarter of 2024.

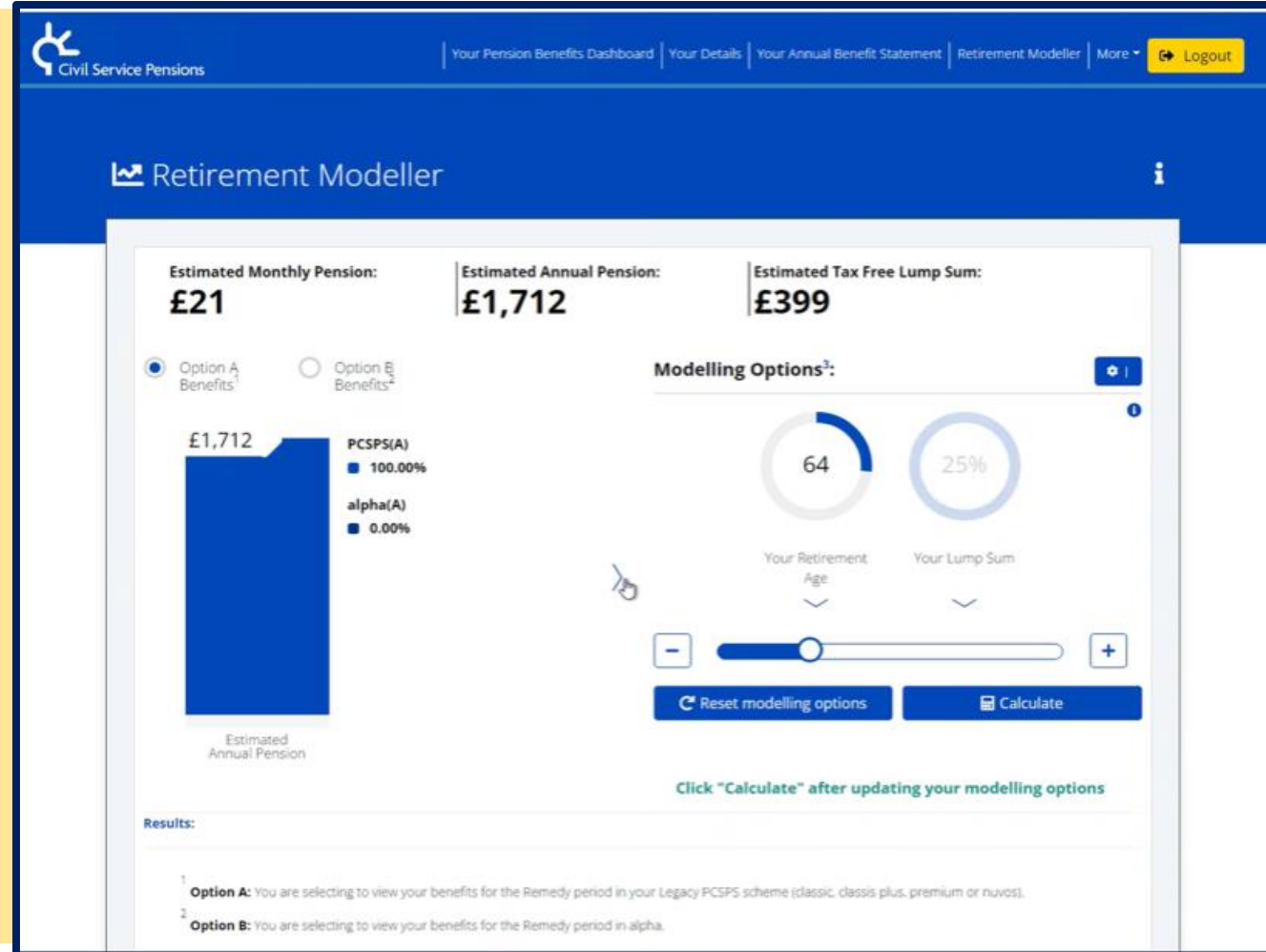




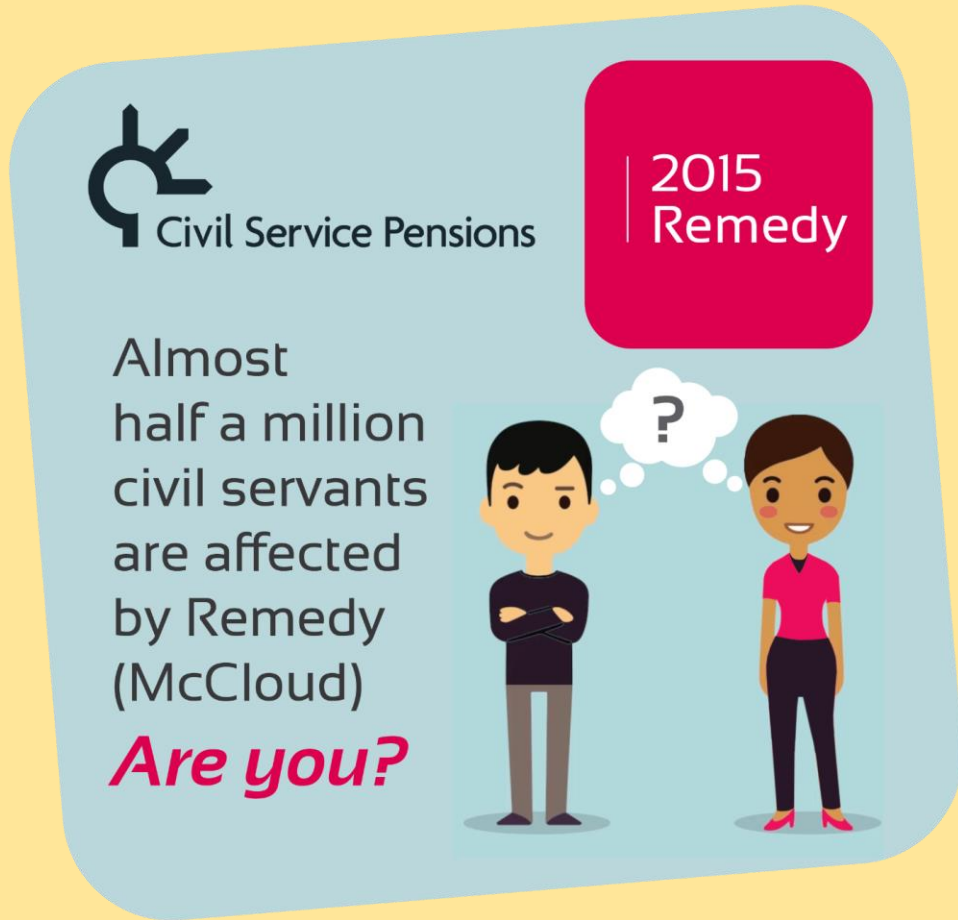
# Modeller

## Remedy- enabled Retirement Modeller

- Going live in May.
- Allows comparison between Legacy (option A) and alpha service (option B) for Remedy.
- Based on live data, not ABS.
- Various amendment options also available inc. retirement age and lump sum percentage.



# Help to spread the Remedy word



## Continue to encourage your employees to take action:

- Check if they are affected by 2015 Remedy via the “Am I affected tool”:
- Model benefits via the Modeller on the portal
- Partial Retirement Illustrator (those wishing to partially retire)
- Engage with 2015 Remedy LinkedIn posts Search; #civilservice, #2015remedy, #mccloud
- FAQs • Chatbot • Remedy Updates Page.

# Employers' support

- Visit the employer hub:  
<https://www.civilservicepensionscheme.org.uk/employers/>
- This site now holds all employer communications on so you can access as and when required.
- We are always on hand for any 2015 Remedy queries
- Email us: [employerremedyqueries@mycsp.co.uk](mailto:employerremedyqueries@mycsp.co.uk)
- Keep feeding back to us – How are we doing? What can we improve?



# Future Service programme





# Background

- Commenced the tender in 2022
- Carried out 12 weeks of intensive negotiations with bidders
- From these negotiations Capita were identified as successful bidder to administer the Civil Service Pension Scheme.
- The contract with Capita was signed on the 17 November 2023.
- The operational service commencement will be Q4 2025.
- This will be for a period of 7 years, with the option of a final 3 years.



# Benefits of new contract

The benefits we seek to deliver centre around “7 pillars” described to bidders during the procurement. A successful transition will deliver the following benefits:



## Engaged Members

- Service where members are at the heart of everything it does.
- Easy to use and engage with services so members can :
- Better understand & value their benefits
- effectively plan for their retirement.



## Engaged Employers

- Proactive service that reduces administrative burdens on the employers,
- improves the accuracy of data and information shared which makes it easier to interact with the administrator.



## Intelligent Provider

- A proactive and innovative provider/s that embrace continuous improvement to deliver:
- a dynamic, leading edge service
- builds compliance, effectiveness and the mantra of being “Right First Time” into its DNA.



## Partnership Working

Building a constructive and open partnership between provider/s and Cabinet Office which puts the experience of members and employers at the heart of everything it does.



## Accurate Data

- Putting data quality at the top of our agenda,
- making it easy for employers to submit timely and accurate data
- validated and resolved efficiently
- avoiding unnecessary delays, ensuring we pay benefits right first time, every time.



## Finance Model

- A dynamic pricing and performance model that encourages the delivery of continuous improvement in partnership with the Cabinet Office and wider delivery ecosystem.



## Commercial Model

Building a robust commercial framework that meets the three criteria for Value for Money identified by the National Audit Office:

- Economy,
- Efficiency &
- Effectiveness



Civil Service Pensions

[www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)



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# Desired Outcomes – What do we want to achieve - 1

## Improved member engagement & satisfaction

### Achieved by:

- Easy to use systems, with quick and accurate comms and improved data enabling a slicker overall lead time for processes and smooth platform for members to amend or make queries about their pension
- Slicker overall lead time for processes in areas such as retirement workflows
- Providing information to members to ensure that they are better prepared for retirement and will feel more content with the service and can make informed decisions

## Maximising Automation & Ai

### Achieved by:

- A contract that encourages innovation and increased use of technology throughout the life of the contract
- Reviewing existing processes to maximise opportunities for automation
- Continuous review of the financial services industry remain at the forefront of technological advances.



# Desired Outcomes – What do we want to achieve - 2

Continuous  
improvement through  
technological advances

- **Achieved through:**
- Developing strategic direction rather than tactical change
- Using the right technology in the marketplace, rather than what is available
- Implementing technology that works for our members when they choose to engage with the scheme

Improved employer  
engagement &  
satisfaction

- **Achieved through:**
- Slicker overall lead time for processes
- Reduce time employers spend on pensions-related issues
- Improved management information

Increased value for  
money

- **Achieved through:**
- Improved process, technology & ways of working promoting continuous improvement.
- Systemic reduction in cost per member as continuous improvement targets are achieved





# Programme initiation



- Capita commenced the two year transition of services on the 8 December 2023.
- First milestone has been met, which included a secure data storage platform, allowing ability to commence data analysis and mapping exercises.

# Programme initiation



- This platform has been security accredited by the Cabinet Office Information Assurance team, with support in the accreditation process from security experts in Cabinet Office, as well as Actica, a cyber security consultant.
- We will continue to work with cyber security expertise throughout the transition and into the operational handover from MyCSP to Capita.
- Capita will engage with the Cabinet Office Security Working Group to continually report back on progress and to ensure data is protected, and data risks are minimised.

# Capita's mobilisation

Capita have mobilised their programme in:

- Appointment of CSPA Director to oversee performance of the programme team
- Identified 10 work streams each having a project manager allocated
- Capita are working closely with MyCSP on each workstream
- Capita are establishing governance to deliver and shape the transition programme.

1. Calculation, Letters and Workflows
2. Data
3. Interfaces
4. Governance
5. People & Location – Including TUPE & location of service delivery
6. Finance & Payroll
7. Communications and Engagement – Member & Employer
8. Business & Operational Readiness
9. Infrastructure & Technology
10. Reporting

# Discovery phase



- Capita are concluding their initial Discovery phase, investigating all areas of the service delivery in detail.
- Capita are engaging with the MyCSP and Cabinet Office teams and aim to speak with other stakeholders at appropriate times.
- Each workstream will initiate its own approach to discovery, which may include weekly meetings with MyCSP, reviewing outputs and calculations, speaking with GAD about calculation automation, or the Cabinet Office team.
- Capita will start to attend PPDG and are here today at the Regional Employer Forum to understand your thoughts and concerns.



# Cabinet Office team - 1

- The Cabinet Office team will ensure that the existing service continues with MyCSP in line with current Service Levels and ensure contractual obligations are fulfilled. Including individual case work, such as retirements, bereavements and Civil Service Compensation Scheme activities.
- Inflight projects and statements of work are being assessed to ensure that MyCSP can deliver to time and quality.
- We ensure the Government Shared Service programme is kept up to date with our progress and we have reached out to design leads within the clusters.



# Cabinet Office team - 2

- The team are engaging with stakeholders across government, including at the Strategic Working Group, the Civil Service Pension Board and the COO Network to keep them up to date with progress. All parties are offering their support to the programme, demonstrating how high a priority the transition is across departments.
- Security will remain paramount throughout the delivery of the transition and into the operational commencement.



# The ask for you ...



- Capita are in the process of developing their solution, including technology and communications and engagement
- Early 2025, Capita will look for support from employers to demonstrate their solution and test its usability.
- Towards Q3 2025, Capita will produce and roll out support for all employers to effectively engage with their solution, including submission of interfaces through the secure portal, improved reporting, tracking of cases and access to member data.





# The ask for you ...



In the short term, we want employers to continue to:

- Address data issues through the interface process, and engage with the interface team to ensure data quality is maintained;
- Respond to DR1's to ensure benefits are paid accurately and on time;
- Consider your future activities which may impact pension administration – eg. Data cleanse, backdated awards, changes to payroll platforms.
- Engage with MyCSP to understand the timeline required for any statements of work or projects.
- To engage with the programme, please email:

[csps.futureservice@cabinetoffice.gov.uk](mailto:csps.futureservice@cabinetoffice.gov.uk)

