



# CabinetOffice

## Guidance for completing Early Departure Scheme forms for exits under the Civil Service Compensation Scheme (CSCS)

All Employers who wish to run an Early Exit Scheme should read this guidance.

### Introduction

1. 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.
2. Please note that explicit Cabinet Office Ministerial approval is required for any exit schemes involving 20 or more staff and for any exit with a value of over £95,000. The latter includes exits that have been approved previously as part of a bulk scheme.
3. Applications must be submitted on one of the following forms, depending on the nature of the exit:
  - Early Departure Scheme – Civil Service Compensation Scheme Application for Cabinet Office Approval for Exits (Bulk and Single Person); or
  - Early Departure Scheme – Civil Service Compensation Scheme Application for Cabinet Office Approval of exits – Single Person (£95k or more).
4. The forms can be found on the Civil Service Pensions website at:  
<http://www.civilservicepensionscheme.org.uk/civil-service-compensation-scheme>
5. This guidance note is intended to help Employers complete the forms and supporting business case for Cabinet Office's consideration. This note should be read in conjunction with the CSCS guidance, which can be found in the Employers Pension Guide at:  
<http://www.civilservicepensionscheme.org.uk/media/95194/annex-6f.pdf>  
and  
[http://www.civilservicepensionscheme.org.uk/media/10737/cscsdec2010\\_tcm6-38441.pdf](http://www.civilservicepensionscheme.org.uk/media/10737/cscsdec2010_tcm6-38441.pdf)

### Guidance for completing the forms

Type of departure and level of tariff

6. Where staff are in scope for an exit exercise you should consider the type of exit scheme needed: Voluntary Exit (VE), Voluntary Redundancy (VR) or Compulsory Redundancy (CR) and tick the relevant box accordingly. For many situations VE schemes may be the most appropriate and quickest approach.



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7. For VE schemes there is flexibility for the Employer to determine the tariff offered and you do not have to offer the standard tariff. Employers should expect Cabinet Office challenge on the degree to which they have explored whether it is possible to achieve voluntary exits on less than the standard terms. Employers should also be aware that any cases above the standard tariff need explicit Cabinet Office Ministerial approval under the rules of the CSCS.
8. There is also flexibility on whether or not you offer 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 and in some cases can do so substantially. As such Employers will need to justify why this option has been chosen.
9. Under VR employers must offer the standard tariff and Employer pension buy out for eligible staff in accordance with the CSCS rules.
10. For CR schemes in accordance with the CSCS rules individuals must have been offered VR terms first. 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.

## Rationale and Criteria

11. 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.

## Additional scrutiny of bulk schemes

12. All bulk exit schemes for 20 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. At a minimum we would expect an explanation of:
  - a. The rationale for the exit scheme.
  - b. 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).
  - c. The overall cost of the scheme against savings to be made.
  - d. Confirmation that the Employer is retaining skills needed for the future.
  - e. The attempts made to redeploy either internally or externally.
13. Please note that 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 a further form for each of these individual high value exits.

#### High Value (over £95,000) Cases

14. The MCO, the minister responsible for the CSCS, has the discretion to approve or reject any proposed CSCS payment.
15. The MCO will scrutinise high value cases carefully, with each considered on its merits. This consideration could include the type of exit (CR, VR or VE), value for money and payback period, overall cost, retention of key skills, the Employer's criteria for the exit scheme and the ability (or the attempts made) to redeploy the individual. The MCO has indicated approval of cases if there are clear and compelling reasons to do so.
16. VE exits, in particular, are less likely to be approved, as there are flexibilities available under VE to offer a variety of tariffs, along with a clear expectation of value for money and overall cost being core criteria for exit schemes. As such these factors should negate the need for large numbers of high value exits.

#### Points to note

17. Employers should note:
  - a. 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' section 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'.
  - b. It is the Employer's responsibility to ensure that the information and costs recorded on the form are accurate.
  - c. In no circumstances should the employer make offers to individuals without first having Cabinet Office approval for the exit(s).
  - d. If the cost of an exit increases the employer must refer it back to the Cabinet Office for further approval.
18. All application forms and queries about the process should be sent to [redundancyschemes@cabinetoffice.gov.uk](mailto:redundancyschemes@cabinetoffice.gov.uk)