



Employer Pensions Notice

EPN 221

Partial Retirement – introducing an additional step in the process

Audience This Notice will be of particular interest to:

- HR Managers and policy teams; and
- All staff involved in the processing of partial retirement applications

Action To note the additional step in the partial retirement process; and

Ensure that everyone who handles partial retirement applications receives this information

Timing Immediate

Background

1. Partial retirement was introduced from 1 March 2008, enabling members who permanently reshape their job and reduce their pensionable earnings by at least 20%, to take some or all of the pension they have built up while continuing to work.
2. EPN 204 told you about your responsibilities in the partial retirement application process.

Additional Process

3. It is important that everyone involved in the partial retirement process is kept informed of the member's final decision to partially retire. There have been occasions where the APAC or HR team has not been notified whether or not partial retirement is going ahead. This is placing unnecessary work with APACs



and delaying the processing of applications. We are introducing an additional step in the process which will improve the lines of communication between you, the member and your APAC. This new step ensures that job reshaping has happened, or is taking place, before the payment of the lump sum and/or pension is made.

Introduction of CSP16

4. Your APAC will send you a form CSP16 to confirm that the member's partial retirement is going ahead. You must then confirm that the details on the CSP15 remain correct, before completing and returning the CSP16 to your APAC. They can then arrange for payment of lump sum and/or pension to be made to the member. If at any time you become aware that the member's partial retirement is not going ahead you should tell your APAC straight away.
5. A copy of form CSP16 is at Annex A and a revised partial retirement process chart is set out at Annex B. Please make sure that everyone who handles partial retirement applications receives this information.
6. The following points remind you of your other responsibilities within the process:

Timing of applications

7. When advising your APAC of the start date of the reshaped job, you must provide the exact date and not just the month in which the job reshaping occurs.
8. You must send forms CSP15 and CSP16 promptly to your APAC to allow them as much time as possible to process the award, otherwise the member may go onto their reduced salary before the lump sum and pension has been awarded.

20% salary reduction

9. When working out the reduced salary you must ensure that the criteria for the 20% reduction are met. You are responsible for ensuring the accuracy of the data you or your payroll provider pass to your APAC. It is not the APAC's responsibility to check the information you are providing.
10. You should remember that a 20% reduction in hours does not always equal the required 20% reduction in salary and that you must include additional allowances or shift pay in your calculations.

CSP15 Form

11. You must ensure that the CSP15 form is completed fully so that your APAC has all the information they need to process the award.

12. The CSP15 form is frequently being used as an estimate request by members who want confirmation of their pension amount before making their final decision. It is your responsibility to ensure that before completing their application the member has read the booklet 'Partial retirement – a guide for scheme members' and used the partial retirement calculator. They can find this on our website under 'guidance for members/ calculators'.
13. You must agree and authorise all partial retirement applications before sending them to your APAC as they cannot provide the estimate without your confirmation that you agree to the job reshaping and that the member's earnings will reduce by at least 20%. Members must not send the form directly to their APAC as this will delay the implementation of the partial retirement..

Revision or cancellation of applications

14. You must remind the member to consider partial retirement carefully, paying particular attention to the calculator and estimate quote before making their final decision. It is your responsibility to contact your APAC and tell them not to process the award if the partial retirement does not go ahead.

Reference This document refers to EPN 204

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 electronic copies of the EPG, all current EPNs and forms on our website www.civilservice-pensions.gov.uk in the Guidance for employers section.

If this notice is to be circulated to members, then please remove contact details as the helpdesk is for employers only. Members should be directed to your pensions administrator if they have any queries.

ANNEX A

CSP16

EMPLOYER CONFIRMATION OF JOB RESHAPING

The applicant (to be completed by APAC)	
Name:	Date of birth:
	NI Number:

1. You have previously agreed that this person can re-shape their job and we have provided them with a partial retirement quote. They have now confirmed to us that they have decided to partially retire taking all or some of their pension. Before we make arrangements to pay any pension you must confirm that the details contained on the CSP15 form that you completed at the start of this process *remain correct*. **We will not pay pension until we have received your confirmation.**

2. A copy of the CSP15 form completed jointly by you and the applicant is attached.

3. You can make your confirmation by signing and dating this form in the space below and returning it to us at this address (you should keep a copy of the signed form for your files):

>APAC address/contact details<

Employer confirmation	
I confirm that the details contained in the CSP15 signed jointly by this organisation and the above applicant are correct and that their partial retirement can proceed.	Name:
	Signature:
	Date:

ANNEX B

Partial retirement step by step

Step	Owner	Trigger points and pension actions	Timelines / comments
1	Employee	<p>Considers partial retirement.</p> <ul style="list-style-type: none"> ▪ Reads booklet ‘Partial retirement – a guide for scheme members’ ▪ Uses calculator on Civil Service Pensions website ▪ Discusses possibility of job reshaping with line manager/HR. 	<p>To access their pension, employee must be a member of the PCSPS, reduce their annual rate of permanent pensionable earnings by at least 20% and be over minimum pension age.</p>
2	Employer	<p>Tells employee that their request for job reshaping will be considered in the light of business needs.</p> <p>Considers request for job reshaping and advises employee of decision.</p> <p>If the employee’s request is accepted and they are reducing the annual rate of their permanent pensionable earnings by at least 20%, asks employee if he/she has read the booklet ‘Partial retirement – a guide for scheme members’ and used calculator on website.</p> <p>If employee replies ‘yes’ – go to Step 3</p> <p>If employee replies ‘no’ -</p> <ul style="list-style-type: none"> ▪ Advises employee that they may be eligible for partial retirement ▪ directs employee to the CSP website (Publications, rules and forms) to look at the booklet ▪ advises the employee to use the partial retirement calculator on the website to help them understand the possible effects of partial retirement on their income immediately after job reshaping and when they finally retire. 	<p>CSP website: www.civilservice-pensions.gov.uk</p>
3	Employer	<ul style="list-style-type: none"> ▪ Agrees date with employee from which job reshaping will start, and advises him/her to complete the CSP15 application form (at the end of the partial retirement booklet and also on the CSP website under Publications, rules and forms) if he/she has not already done so. 	<p>Employers may want to set timescales for the application and reshaping date so that the member can receive their pension quote before they reshape their job. (The member will then have confirmation of how much pension and lump sum they can take).</p>
4	Employee	<p>Completes CSP15 and sends it to employer.</p>	

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5	Employer	Completes Employer authorisation part of CSP15. This involves providing the start date of the reshaped job, full details of the old and new salary, and the number of hours per week to be worked in the reshaped job. The employer then sends the authorised form to the APAC.	
6	APAC	Sends the employee a letter with an estimate statement of the total pension and lump sum available to them, and asks them how much, if any, pension they would like to take.	The letter will refer the member to the calculator on the CSP website which may help them in making this decision. Employers' contract managers may want to discuss respective roles in the process at review meetings with their APAC.
7	Employee	<ul style="list-style-type: none"> ▪ Decides whether or not to take any pension and lump sum. ▪ If yes, completes option form enclosed with the estimate statement, saying how much pension they wish to take, and ▪ sends it to the APAC. 	Member must return the option form within 3 months of reshaping their job and their pension will be backdated to the reshaping date.
8	APAC	Sends form CSP16 to employer telling them that the member has decided to partially retire, and asking the employer to confirm details on the CSP15 remain correct.	Employer signs, dates and returns CSP16 to APAC.
9	APAC	<ul style="list-style-type: none"> ▪ Confirms details to the member of their pension award and any lump sum taken. ▪ Processes partial retirement award and sends to Capita Hartshead with the details of the member's new salary so that Capita can determine whether the pension will be abated and, if so, apply the abatement. 	Capita Hartshead make pension payments under contract to Civil Service Pensions.
10	Capita Hartshead	Starts paying pension from agreed date, abating pension where appropriate. Writes to member confirming amount of pension and any abatement.	
11	Employer	If there is any change to the employee's pay that would affect abatement or they resign, completes box B, C or D of the CSP13 form and sends to Capita Hartshead.	