

MODEL OFFICE NOTICE

Civil Service pensions update

Joint statement by Cabinet Office and the Council for Civil Service Unions (CCSU)

This notice updates you on what is happening about the consultation on changes to Civil Service pension arrangements. We last updated you about this through an Office Notice (**insert reference.....**) issued in [August].

Alan Johnson (Secretary of State for Trade and Industry) has chaired three special pensions meetings of the Public Services Forum (PSF). The PSF exists to improve communication between the Government, public service employers and trade unions on public service and workforce reform. Civil Service employers and unions have been represented at these meetings.

Public Service pensions should continue to be good quality schemes that are sustainable, defined benefit and index linked. Changes in demographics and employment patterns, and the legal and regulatory framework, require public service pension schemes to be modernised. In the PSF discussions the Government and trade unions have agreed a common set of principles for public service pension reform. The detailed principles can be found on the Civil Service Pensions website www.civilservice-pensions.gov.uk. In summary the key points to note are:

- accrued pension provision of existing scheme members will be protected.
- Pension Age for existing scheme members will be protected unless agreement is reached within scheme specific negotiations;
- individual scheme negotiations will agree how reform will apply to existing employees and what other changes are made;
- new pension arrangements, with a Pension Age of 65, will apply to new entrants as soon as is practicable. As now, new scheme members will be able to retire earlier if they wish;
- scheme specific negotiations will take account of the special physical and mental demands of many public sector jobs.

The principles will now apply to the further negotiations. We are looking forward to continuing the dialogue between Cabinet Office and CCSU on Civil Service pension arrangements. We expect to start formal negotiations shortly following formal ratification of the principles by the unions.

After our negotiations Cabinet Office plans to publish a document setting out the way forward. In the meantime Cabinet Office will continue to issue updates through office notices and on the Civil Service Pensions website www.civilservice-pensions.gov.uk. The Council for Civil Service Unions affiliates (PCS, PROSPECT, POA, FDA and NIPSA), the MOD Police Federation and unions representing other civil servants will be issuing their own member circulars and keeping their websites up to date on developments.

