



Employer Pensions Notice

EPN 149

Scheme amendments

Changes to:

- **Principal Civil Service Pension Scheme (PCSPS)**
- **Civil Service Compensation Scheme (CSCS)**

Audience This Notice will be of particular interest to:

- **H R Managers who deal with pension issues**

Action To note scheme changes

To issue the enclosed Office Notice inserting your APAC contact details where indicated

Timing The office notice should be issued as soon as possible

Scheme amendments

Background

1. Amendments to the PCSPS, CSCS and CSAVCS have been laid before Parliament and came into effect from 26 July 2006. Detailed guidance has been issued to APACs but the main issues for you are outlined below.

Opting back into the pension scheme

2. A member who has opted out of **classic** may now opt back in at any age whilst eligible to be an active member. Previously **classic** members could not opt back in once they were 55. Members of **premium** and **classic plus** have always been able to opt back in at any age.

Transfers

3. Members of **premium**, **classic** or **classic plus** may, subject to certain conditions, transfer pension benefits into and out of the pension scheme. The time limits that apply to these transfer arrangements have been relaxed.

Transfers in

4. Active members of **premium**, **classic** or **classic plus** may transfer in benefits from another occupational pension scheme at any age. Previously members had to apply before their 59th birthday. Members may now apply for a transfer in at any time up to when they start the administrative process of claiming their pension. However, the transfer must be completed before the member leaves pensionable service (and in all cases before their pension comes into payment).

5. **'Club' and non-occupational pension schemes** – The additional time limits that apply to transfers in under the Public Sector Transfer Club (the Club), or from a non-occupational pension scheme (e.g. a personal pension scheme), have not changed. In both circumstances, the member must apply for the transfer within 12 months of becoming eligible to join **premium**, **classic** or **classic plus**. Additionally, a member cannot take a Club transfer if they are above the pension age of the sending scheme.

Transfers out

6. Members (other than active, pensioner or pension credit members) are permitted to transfer out their **premium**, **classic** or **classic plus** benefits at any age provided they have not started the administrative process of claiming their pension. Previously members would generally have had to apply for the transfer out before their 59th birthday.

7. **'Club' transfers** - The additional time limits that apply to transfers out under the Club have also not changed. Members must apply for a Club transfer out within 12 months of becoming eligible to join their new Club scheme, and before reaching the **premium**, **classic** or **classic plus** pension age (currently 60 for most members).

CIVIL SERVICE COMPENSATION SCHEME

Pre-Fresh Start prison officers –

8. A Pre-Fresh Start prison officer who is either dismissed on the grounds of inefficiency or who leaves on early retirement with less than 5 years service (this could happen if the member had a break in service) will no longer have their compensation payment tapered if they are between 52 and 55.

AREAS WHERE CONSIDERATION IS BEING GIVEN TO FUTURE CHANGES

9. Consideration is being given to possible changes in the following areas:
- the purchase of added pension for members aged 60 or over;
 - simplification of the eligibility criteria for joining PCSPS;
 - purchase of added years from a lump sum on early retirement; and
 - the requirement for completion of a ill health declaration for new members and exclusion from the ill health retirement provisions of the scheme

We will provide you with further details as soon as we can.

Reference This document refers to/replaces xxx

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 copies of all current EPNs and forms on our website
www.civilservice-pensions.gov.uk in the Employer section
username **employers** password **mc2fxqfy**

MODEL OFFICE NOTICE

Changes to Civil Service Pensions

Have you opted out of the pension scheme?

If you opted out of **classic** and are over 55 you are no longer prevented from opting back into **classic**. You can now opt back in at any age. Please contact your pensions administrator – details below. If you opted out of **premium** you can also opt back in at any age.

Transfers of pension benefits

If you are a member of **premium**, **classic** or **classic plus**, you may - subject to certain conditions - transfer pension benefits into and out of the pension scheme. The age limits that apply to some transfer arrangements have been removed.

Transfers in

If you are an active member of **premium**, **classic** or **classic plus**, you may apply to transfer in benefits from another occupational pension scheme at any age. (Previously you would have had to apply before your 59th birthday.) You may now apply for a transfer in at any time up to when you start the administrative process of claiming your pension. However, the transfer must be completed before you leave pensionable service (and in all cases before your pension comes into payment). See the note on timescales below.

Transfers out

If you are a member (other than active, pensioner or pension credit members) of **premium**, **classic** or **classic plus**, you may transfer out your benefits at any age provided you have not started the administrative process of claiming your pension. Previously you would generally have had to apply for the transfer out before your 59th birthday. See also the note on timescales below.

PLEASE NOTE: Like other pension schemes, the Civil Service pension scheme is not obliged to accept a transfer in from another scheme, and there are certain circumstances when the scheme will not accept the transfer.

What has not changed?

Non-occupational pension schemes – There is no change to the additional time limits that apply to transfers in from a non-occupational pension scheme (e.g. a personal pension scheme). You must apply for the transfer within 12 months of becoming eligible to join **premium**, **classic** or **classic plus**.

'Club' transfers – There is also no change to the additional time limits that apply to transfers in and out under the Public Sector Transfer Club* (the 'Club'). You must apply for a transfer in within 12 months of becoming eligible to join **premium**, **classic** or **classic plus**. Additionally, you cannot take a Club transfer in if you are above the pension age of the sending scheme. Similarly, you must apply for a Club transfer out within 12 months of

becoming eligible to join your new Club scheme, and before reaching the **premium**, **classic** or **classic plus** pension age (currently 60 for most members).

(*You can find further information about the Public Sector Transfer Club on the Civil Service Pensions website: www.civilservice-pensions.gov.uk - scroll to the bottom of the homepage and follow the link.)

Action

If you wish to enquire about transferring pension benefits into or out of the scheme, please contact your pensions administrator: ***[employer to insert contact details]***

Timescales

In considering if and when to apply for a transfer of pension benefits, you should be aware that:

- transfers can take a long time to complete – sometimes upwards of a year; and
- as stated above, you must apply for transfers in on Club terms or from non-occupational schemes within 12 months of being eligible to join the Civil Service pension scheme.