

# Cabinet Office – Scheme Management Executive

## Employer Pensions Notice

### EPN 329

#### Civil Service pension arrangements: appointment of new Scheme Actuary from 1 April 2012

##### Issue

- The Government Actuary's Department (GAD) has been appointed the Scheme Actuary for the Civil Service pension arrangements in succession to Aon Hewitt (formerly Hewitt Bacon & Woodrow).
- GAD is appointed Scheme Actuary in relation to the Defined Benefit arrangements only (covering the main scheme sections i.e. currently classic, classic plus, premium and nuvos). Aon Hewitt is continuing to provide actuarial advice in relation to the Civil Service defined contribution arrangements (i.e. the partnership pension account, Stakeholder, and the CSAVC Scheme).
- GAD's appointment commences with effect from 1 April 2012.

##### Audience

- This Notice will be of particular interest to individuals involved in running outward and inward **Bulk Transfer** exercises.

##### Action

- You should ensure that you:
  - use GAD for actuarial advice and calculations on all bulk transfers where work has not already commenced
  - are aware of the framework for dealing with bulk transfers where work is already in progress, in which case either Aon Hewitt or GAD may have responsibility as explained in paragraph 10 of this EPN
  - use GAD for all other actuarial services relating to the Civil Service pension arrangements

##### Timing

Immediate

This notice is from Cabinet Office, Scheme Management Executive



CIVIL SERVICE  
PENSIONS

## Background

1. The Cabinet Office has appointed the Government Actuary's Department (GAD) as providers of actuarial services for the Principal Civil Service Pension Scheme (Great Britain). GAD succeeds Aon Hewitt (formerly Hewitt Bacon & Woodrow) in providing for the vast majority of actuarial advice to the Civil Service pension arrangements, including on bulk transfers, which is the area where Civil Service employers are most likely to need actuarial advice and support.
2. Like the contract with Aon Hewitt before it, our Service Level Agreement (SLA) with GAD is in the form of an umbrella arrangement that enables Civil Service employers to commission work under its terms and conditions. Where an employer commissions any work to be done by GAD, it will be provided under the terms of the provisions in the SLA. This means that you do not have to have a separate formal agreement with GAD for them to provide you with actuarial services.
3. If you are operating pension arrangements by analogy to the Civil Service arrangements you are not covered by these arrangements and are responsible for making your own.

## Bulk transfers

4. When individuals transfer with their work, Government policy is to secure a bulk transfer between the two pension schemes involved, as explained in Section 12 of the Employers' Pension Guide. As Scheme Actuary GAD is responsible for negotiating and agreeing bulk transfer terms with the other scheme's actuary. GAD will continue being responsible for advising employers on the broad comparability aspects of the Government's Fair Deal policy for protecting pension rights on staff transfers (see Staff Transfers in the Public Sector – Statement of Practice, Published by the Cabinet Office. A copy is available at <http://www.gad.gov.uk/Documents/Staff%20Transfers/stafftransfers2.pdf>
5. You may wish to buy in additional support on pensions aspects of outsourcing work, for example in relation to issues such as communications with your staff. You are free to use any adviser for this, subject to normal procurement policies, and are not tied to GAD.
6. GAD charges for services will be at the rates set out in our SLA; details of these and the related terms and conditions associated with you using GAD can be obtained from them. GAD contact details are given below.

## New cases

7. Transfers to the Civil Service. From 1 April 2012, where staff are moving with their work from an employment covered by another pension scheme to one covered by the Civil Service pension arrangements, you must contact GAD at an early date. GAD will negotiate with the sending scheme's actuary with a view to ensuring that any bulk transfer payment is sufficient to cover the liabilities being transferred to the Civil Service scheme. Where staff are coming to the Civil Service as a consequence of machinery of government changes, employers should also promptly contact GAD who will also be responsible for certifying that the Civil Service pension arrangements are broadly comparable to those of the sending scheme.
8. Transfers from the Civil Service. Where staff are moving with their work from an employment covered by the Civil Service pension arrangements to one covered by another scheme you should again contact GAD at an early date. GAD will consider both whether the new scheme is broadly comparable to the Civil Service arrangements, and advise and agree the bulk transfer terms with the receiving scheme's actuary.

9. In order to appropriately manage conflicts, broad comparability assessments against the PCSPS and the provision of the associated certificates will be carried out by members of GAD's Staff Transfers Team, which sits outside the line of their PCSPS Staff Transfers Team.

### **Existing cases**

10. At the point when GAD succeeds Aon Hewitt as Scheme Actuary (1 April) there are going to be a number of existing bulk transfer cases in progress. Depending on the stage the case has reached Aon Hewitt will continue with the work after 1 April until such time as it can sensibly be handed over to GAD. Where a case has already been completed to the end of a particular stage Aon Hewitt will pass it to GAD who will take on the work as at 1 April. In this respect there are five categories of bulk transfer case:

- Cases which will be handed over to GAD to take forward with immediate effect from 1 April;
- Cases where Aon Hewitt will complete the advice on bulk transfer terms and then hand over to GAD;
- Cases where Aon Hewitt will complete the advice on bulk transfer option communications and then hand over to GAD
- Cases where Aon Hewitt will complete the bulk transfer calculations and then hand over to GAD;
- Cases Aon Hewitt has completed and no further action is expected.

11. Aon Hewitt will be communicating with each employer with a case or cases in one or other of the above categories, setting out the particular position. Following that GAD will also be in touch with you in cases where work is being handed over to them by Aon Hewitt so that you can understand the implications of that and have a named GAD contact.

### **Commissioning bulk transfer work from GAD**

12. You should email GAD (as below) with details of the work needed. Generally, the more detailed the specification, the more likely it is that GAD will be able to give a better cost estimate for the work. GAD will agree the service with you before starting their work. A proforma for you to use when commissioning work on bulk transfers from GAD is attached as an Annex to this EPN. It can be downloaded from the Civil Service Website at: [www.civilservice.gov.uk/pensions/guidance-for-employers/forms](http://www.civilservice.gov.uk/pensions/guidance-for-employers/forms)
13. The terms and charging rates will be those agreed with GAD as part of the Service Level Agreement with the Cabinet Office. When you are ready to commission work from GAD they will be asking you to complete a short standard commissioning letter to cover areas such as cost recovery.

### **GAD's Website**

There is a range of general information about staff transfers on GAD's Website at:

[www.gad.gov.uk/services/Staff%20Transfers/index.html](http://www.gad.gov.uk/services/Staff%20Transfers/index.html)

### **Employers' Pension Guide (EPG)**

The relevant parts of Section 12 of the on-line EPG will be up-dated shortly. The EPG can be found at: [www.civilservice.gov.uk/pensions/guidance-for-employers/employers-pension-guide](http://www.civilservice.gov.uk/pensions/guidance-for-employers/employers-pension-guide)

**GAD Contact Details**

For general enquiries about PCSPS staff transfers work:

[PCSPS.stafftransfers@gad.gsi.gov.uk](mailto:PCSPS.stafftransfers@gad.gsi.gov.uk)

For initial enquiries about broad comparability and other enquiries:

[Staff.transfers@gad.gov.uk](mailto:Staff.transfers@gad.gov.uk)

Telephone numbers for:

Staff transfers work – 020 7211 2676  
020 7211 2752

Main GAD enquiry point 020 7211 2601

**Contacts** For enquiries regarding content please contact the SME Contract Management Team:

[Andy.Black@cabinet-office.x.gsi.gov.uk](mailto:Andy.Black@cabinet-office.x.gsi.gov.uk)

01256 846469

You can find electronic copies of the EPG, all current EPNs and forms on our website [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions) in the Guidance for employers section.

Enquiries regarding distribution or to receive in a different format  
[Mycsp.basingstoke@dwpgsi.gov.uk](mailto:Mycsp.basingstoke@dwpgsi.gov.uk)

## Commissioning work from the Government Actuary's Department on Bulk Transfers

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Employers taking forward a bulk transfer for staff from or to the Principal Civil Service Pension Scheme (Great Britain) should complete the details set out below and e-mail the form to GAD at: [PCSPS.stafftransfers@gad.gsi.gov.uk](mailto:PCSPS.stafftransfers@gad.gsi.gov.uk)

When GAD receive the necessary information, they will assign a unique reference number to the task and a member of their team to work on the exercise. They will advise the employer of this by e-mail and also advise on the potential cost of the exercise. GAD will discuss additional data requirements (including membership information) with the employer contact as work on the bulk transfer progresses.

### Required information

#### Name/address of employer

Name

Address

#### Details of contact at employer

Name

Telephone number

Email address

#### Details of employer's MyCSP (pensions administrator) contact

Name

Telephone number

Email address

#### Brief details of the bulk transfer

Incoming or outgoing?

Where to/from?

Title of bulk transfer

Approximate number of employees involved

#### Timescales

Date of (anticipated) contract award

Target date for completion of pensions negotiations

Expected date of transfer of employees

#### Contact details of other party

Name of employer contact

Telephone / fax / email of above (if known)

Name of other party's actuary (if known)

Telephone / fax / email of above (if known)

Any other relevant information