

2015 New Pension Scheme Implementation Programme

Employer Impacts

Your responsibilities - Eligibility and Enrolling



2015

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Purpose

You have a number of responsibilities related to the introduction of the 2015 pension scheme. This document, 'Your responsibilities – Eligibility and Enrolling', will give you the information you need to enable you to assess an employee's eligibility to join the 2015 pension scheme, and implement the supporting business processes.

You must understand each of the elements of eligibility, and apply them correctly in order to put employees in the right scheme at the right time.

There are several processes in the appendices at the back of this document that guide you through each of the elements of eligibility. You can find a list of the appendices in the Contents on page 2.

There may be consequences for you as an employer, and financial implications for your employees, if you do not follow these processes correctly.

When reading this document, the term 'part 1 pension scheme' means all sections of the current Civil Service Pension Scheme arrangement, the Principal Civil Service Pension Scheme (PCSPS); classic, classic plus, premium and nuvos.



Key points

1. Eligibility criteria for joining the 2015 pension scheme;
2. Public Service pension scheme membership history;
3. Moving part 1 pension scheme members into the 2015 pension scheme;
4. Enrolling new employees into the correct pension scheme; and
5. New data items and enhanced data validation.

This document describes each of these points in more detail.

1 Eligibility criteria for joining the 2015 pension scheme



What you need to know

As with all the existing sections of the part 1 pension scheme there are criteria which determine whether or not an individual is allowed to be a 2015 pension scheme member. This is referred to as the scheme eligibility criteria.

Normal Pension Age (NPA) is an important factor in establishing an employee's eligibility to join the 2015 pension scheme. NPA is the earliest age at which a member is able to claim payment of their pension scheme benefits at an unreduced rate.

For the majority of members their NPA is age 60 for classic, classic plus and premium members and age 65 for nuvos members.

However, there are some members who have a personal NPA, meaning that their NPA is not the same as the scheme NPA. A member can have a personal NPA as a result of being compulsorily moved into the PCSPS from another Public Service pension scheme.

Where a member has a personal NPA it is this age which is used when determining eligibility to join the 2015 pension scheme. This applies even if the employee was not a member of the part 1 pension scheme on 1 April 2012. In such cases, you should use the NPA of the section of the part 1 pension scheme the employee would have been eligible to join on 1 April 2012.

It is always the member's personal NPA as at 1 April 2012 which is used when determining eligibility to join the 2015 pension scheme.

Scheme eligibility criteria

The majority of existing scheme members will move into the 2015 pension scheme on 1 April 2015 (day 1).

There are employees who, due to their circumstances, are not eligible to be enrolled in the 2015 pension scheme.

Who is not eligible?

Employees who are not eligible to join the 2015 pension scheme will generally fall into two groups:

Fully protected (See Appendix B)	Members with 10 years or less to their NPA, as at 1 April 2012.
Exception group (See Appendix E)	<ul style="list-style-type: none"> • Members of the partnership scheme • Employed locally overseas • Member of another PSPS other than PCSPS • Contract of employment prevents member from joining the PCSPS <p>There are some members who are excluded from the 2015 scheme indefinitely and some only until their circumstances change.</p>

Tapered Enrolment

There are also some employees who at 1 April 2012 were more than 10 years, and less than 13.5 years away from their NPA. These employees are referred to as being in the 'tapered enrolment group'.

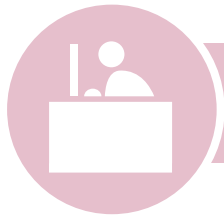
Tapered enrolment group (see 'What we will do' on page 6)	Employees in the tapered enrolment group may be eligible to participate in the 'options exercise'. This means they will have the option to either move into the 2015 pension scheme on the 1 April 2015, or on their tapered enrolment end date, which is linked to their NPA.
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What you need to do

- Understand the NPA link to eligibility;
- Familiarise yourself with the processes for determining an employee's eligibility; and
- Apply the processes correctly for each individual.

The Appendices A to G in this document will help you assess an employee's eligibility.



What we will do

MyCSP will identify members in the tapered enrolment group and will provide employers with this information in September 2014.

2 Public Service pension scheme membership history



What you need to know

This section explains how an employee's Public Service¹ pension scheme membership history is needed to determine the correct pension scheme to enrol an employee into and details the information which you need to collect.

It is also fundamental that information about an employee's Public Service pension scheme membership history is collected accurately

It is also fundamental that information about an employee's Public Service pension scheme membership history is collected accurately, as it could affect the calculation of a member's pension benefits when they finally retire from the 2015 pension scheme where they retain the 'final salary link'.

A final salary link will exist for all members who are moved into the 2015 pension scheme from classic, classic plus, and premium sections of the part 1 pension scheme, as these are final salary pension arrangements. This means that at retirement from the 2015 pension scheme, the member's pension benefits due in respect of the service which they built up in the part 1 pension scheme, prior to their move into the 2015 pension scheme, will be calculated using their pensionable earnings at final retirement.

A final salary link is not automatically broken as a result of an employee leaving the Civil Service Pension Scheme. In order to determine whether a final salary link still exists following a break in membership, information regarding the employee's Public Service pension scheme membership history is required to establish whether the break was qualifying or disqualifying (see **Appendix D – Process for determining whether a break in Public Service scheme membership is qualifying or disqualifying** on page 18).

As long as the employee does not have a gap in Public Service pension scheme membership that is classed as disqualifying, the final salary link is not broken and the member's pensionable earnings at final retirement from the 2015 pension scheme will be used to calculate the pension benefits due in respect of the period prior to the break.

¹ Public Service pension scheme membership includes Civil Service Pension Scheme membership

Not having information about an employee's Public Service pension scheme membership history could lead to:

- Delays in processing the member's retirement benefits whilst this information is gathered; and/or
- Incorrect pension benefits being awarded to the member.

Public Service includes employment such as:

- Civil servants;
- Members of the judiciary;
- Local government workers for England, Wales and Scotland;
- Teachers for England, Wales and Scotland;
- National Health Service workers for England, Wales and Scotland;
- Fire and rescue workers for England, Wales and Scotland;
- Members of police forces for England, Wales and Scotland; and
- Armed forces personnel.

For more information about Public Service go to:

<http://www.legislation.gov.uk/ukpga/2013/25/schedule/1>



What you need to do

- Identify employees who are members of the part 1 pension scheme for whom you do not have a history of Public Service pension scheme membership since 31 March 2007;
- For these employees you will need to collect and record details of all previous Public Service pension scheme membership in order to make sure you enrol employees into the right scheme at the right time and to ensure members are receiving the correct benefits. Details should include:
 - Start dates;
 - End dates;
 - Whether pension benefits² were awarded and have not since been refunded, transferred out or put into payment;
 - Name of employer;
 - Name of pension scheme; and
 - Pension scheme membership number.

We will provide you with further guidance to assist you with this.

² Pension benefits are awarded when a member leaves the pension scheme before or after retirement age, and satisfies the relevant criteria for an award of pension benefits

3 Moving part 1 pension scheme members into the 2015 pension scheme on day 1



What you need to know

Existing members of the part 1 pension scheme, who are in service on 31 March 2015, will need to be moved into the 2015 pension scheme on 1 April 2015 unless they are:

- A member of the fully protected group; or
- In the tapered enrolment group – and have retained their tapered enrolment date.

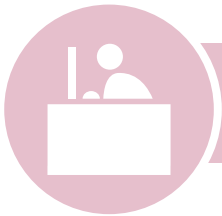
Employee type	Enrol into the 2015 pension scheme?	When?
Fully protected	No	Never
Exception group (Appendix E)	No	Never
		If circumstances change
Employee issued with a tapered enrolment options pack but gave up their tapered enrolment	Yes	1 April 2015
Employee issued with a tapered enrolment options pack but did not give up their tapered enrolment	Yes	Tapered enrolment end date
Employee issued with a tapered enrolment pack but did not respond	Yes	Tapered enrolment end date
All other part 1 pension scheme members	Yes	1 April 2015



What you need to do

Set up processes to:

- Identify members of the part 1 pension scheme who are eligible to be enrolled into the 2015 pension scheme and enrol them on 1 April 2015;
- Identify members of the part 1 pension scheme who are not eligible to be enrolled into the 2015 pension scheme; and
- Manage the tapered enrolment process by moving those members who choose to stay in the current pension scheme until their tapered enrolment end date³, into the 2015 pension scheme on their tapered enrolment end date.



What we will do

In January 2015, MyCSP will inform you of the outcomes from the tapered enrolment options exercise, including tapered enrolment end dates where applicable, so you know which of your employees have:

- Given up their tapered enrolment and will therefore need to be enrolled into the 2015 pension scheme on 1 April 2015 (day 1);
- Not given up their tapered enrolment and will therefore need to be enrolled into the 2015 pension scheme on their tapered enrolment end date;
- Not responded and will therefore need to be enrolled into the 2015 pension scheme on their tapered enrolment date.

MyCSP will not:

Prompt you to move members into the 2015 pension scheme on their tapered enrolment end date as this is an employer responsibility.

The process for moving members of the part 1 pension scheme into the 2015 pension scheme is shown in 'Appendix F – Process for moving existing part 1 pension scheme members into the 2015 pension scheme'.

³Tapered enrolment end dates will occur every 2 months, from 1 June 2015 until 1 February 2022

4 Enrolling new employees into the correct pension scheme



What you need to know

After the introduction of the 2015 pension scheme on 1 April 2015, you will be required to assess whether new employees are able to join either:

- The 2015 pension scheme;
- A section of the part 1 pension scheme; or
- The partnership scheme.



What you need to do

- Collect and record details of each new employee's history of Public Service⁴ pension scheme membership, including:
 - Start dates;
 - End dates;
 - Whether pension benefits⁵ were awarded and have not since been refunded, transferred out or put into payment;
 - Name of employer;
 - Name of pension scheme;
 - Pension scheme membership number;
 - Details of any previous full protection (see **Appendix B – Process for determining whether an employee is fully protected** on page 15); and
 - Details of any previous tapered enrolment, including the tapered enrolment end date.
- Enrol the new employee in the correct Civil Service Pension Scheme, with effect from their employment start date

See 'Appendix G – The process to determine the correct scheme to enrol a new employee into'.

We will provide you with further guidance to assist you with this.

⁴ Public Service pension scheme membership includes Civil Service Pension Scheme membership

⁵ Pension benefits are awarded when a member leaves the pension scheme before or after retirement age, and satisfies the relevant criteria for an award of pension benefits

Collect and record details of each new employee's history of public service pension scheme membership

5 New data items and enhanced data validation



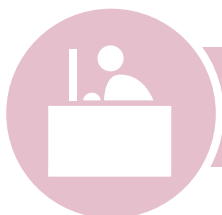
What you need to know

You will be required to record new and additional data due to the introduction of the 2015 pension scheme and provide this to MyCSP.



What you need to do

- Provide Public Service pension scheme membership history, including:
 - Start date;
 - End date;
 - Whether pension benefits were awarded and have not since been refunded, transferred out or put into payment;
 - Name of employer;
 - Name of pension scheme; and
 - Pension scheme membership number.
- Provide updated values⁶ in relation to service history for:
 - Scheme;
 - Scheme Category;
 - Service start reason 'transferred to the 2015 pension scheme'.



What we will do

MyCSP will carry out data validation checks to ensure that:

- From 1 April 2015, new employees (those who have no prior Civil or Public Service pension scheme history) are enrolled into either the 2015 pension scheme or the partnership scheme;
- A record with the start reason of 'Transferred to the 2015 pension scheme' always has the new scheme category of 'the 2015 pension scheme';
- Members of the fully protected group have not been enrolled in the 2015 pension scheme;
- Members who have not given up their tapered enrolment have a 2015 pension scheme service history record that starts on their tapered enrolment end date;
- Members who are due to move to the 2015 pension scheme on 1 April 2015 are enrolled in the 2015 pension scheme on 1 April 2015.

If any of these validations checks are failed, MyCSP will advise you of this through the appropriate reporting process.

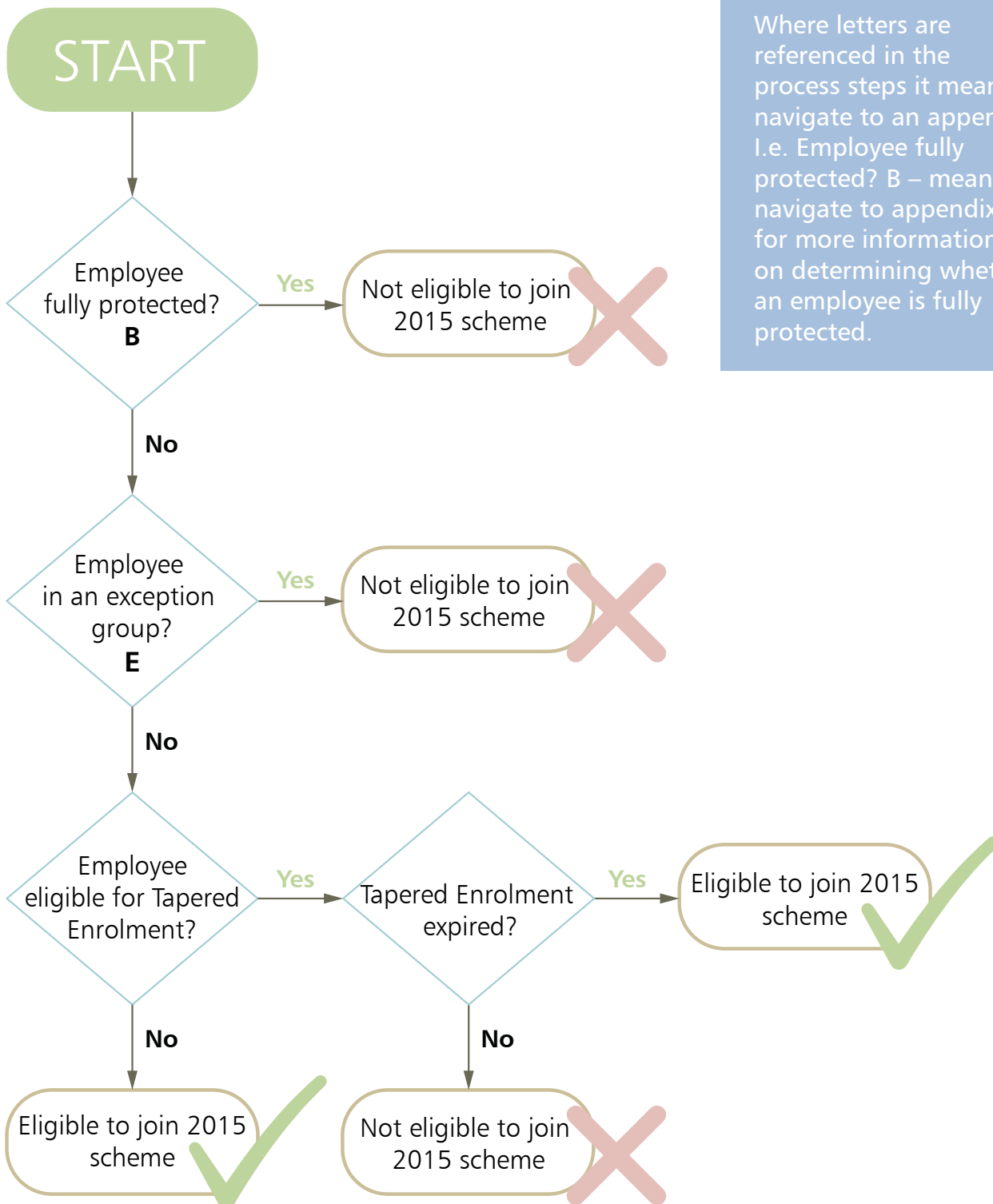
⁶ New values will be provided in the Payroll Developers Guide

Employer Tools

In addition to the specific impacts set out in this document, employers should also be aware that:

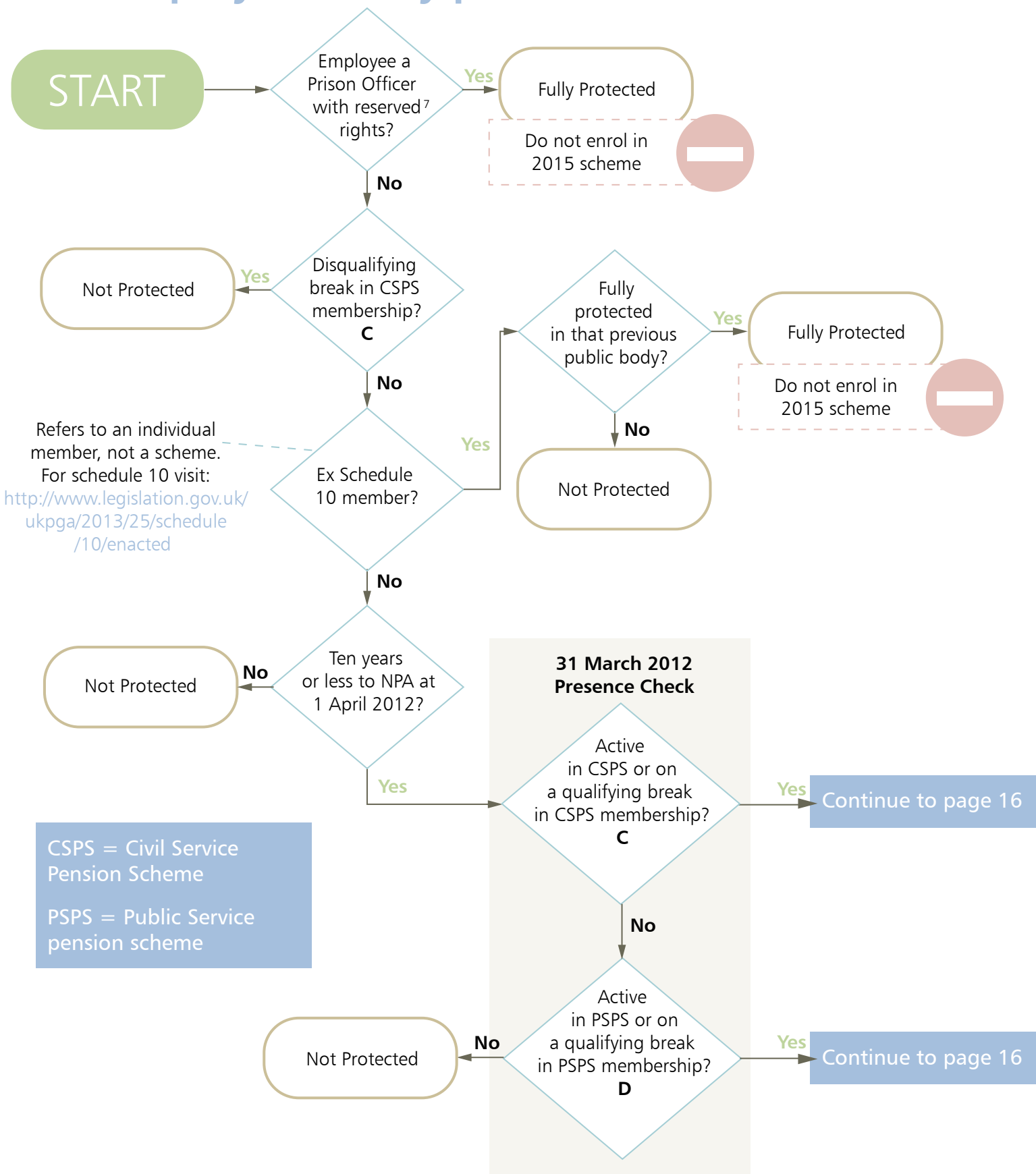
- There will be an updated version of the Pensions Questionnaire form. This is currently published at <http://resources.civilservice.gov.uk/wp-content/uploads/2012/10/Pension-questionnaire-Oct-2012.xls> and employers may also have a copy held on their own servers.
- There will be an updated version of the Re-joiner Calculator. This is currently published at <http://resources.civilservice.gov.uk/wp-content/uploads/2012/11/REJOINER-CALCULATOR-FINAL-November-2012.xls> and employers may also have a copy on their own servers.
- The developers guide for the full and standard interfaces and enhanced data validations has been issued to employers.

Appendix A – Process to determine if an employee is eligible to join the 2015 pension scheme



Where letters are referenced in the process steps it means navigate to an appendix. I.e. Employee fully protected? B – means navigate to appendix B for more information on determining whether an employee is fully protected.

Appendix B – Process for determining whether an employee is fully protected



⁷These employees are often referred to as 'Pre Fresh Start' and benefit from 'reserved rights' to a NPA of 55

**31 March 2015
Presence Check**

Continued from page 15

Active in CSPS or on a qualifying break in CSPS membership?
C

Yes

Fully Protected

Do not enrol in 2015 scheme

No

Active in PSPS or on a qualifying break in PSPS membership?
D

Yes

Fully protected in previous PSPS?

Yes

'Fully protected' status still valid?

Yes

Fully Protected

Do not enrol in 2015 scheme



No

Not Protected

No

Not Protected

No

Not Protected

Continued from page 15

Active in CSPS or on a qualifying break in CSPS membership?
C

Yes

Granted full protection in previous PSPS?

Yes

'Fully protected' status still valid?

Yes

Fully Protected

Do not enrol in 2015 scheme



No

Active in PSPS or on a qualifying break in PSPS membership?
D

Yes

Not Protected

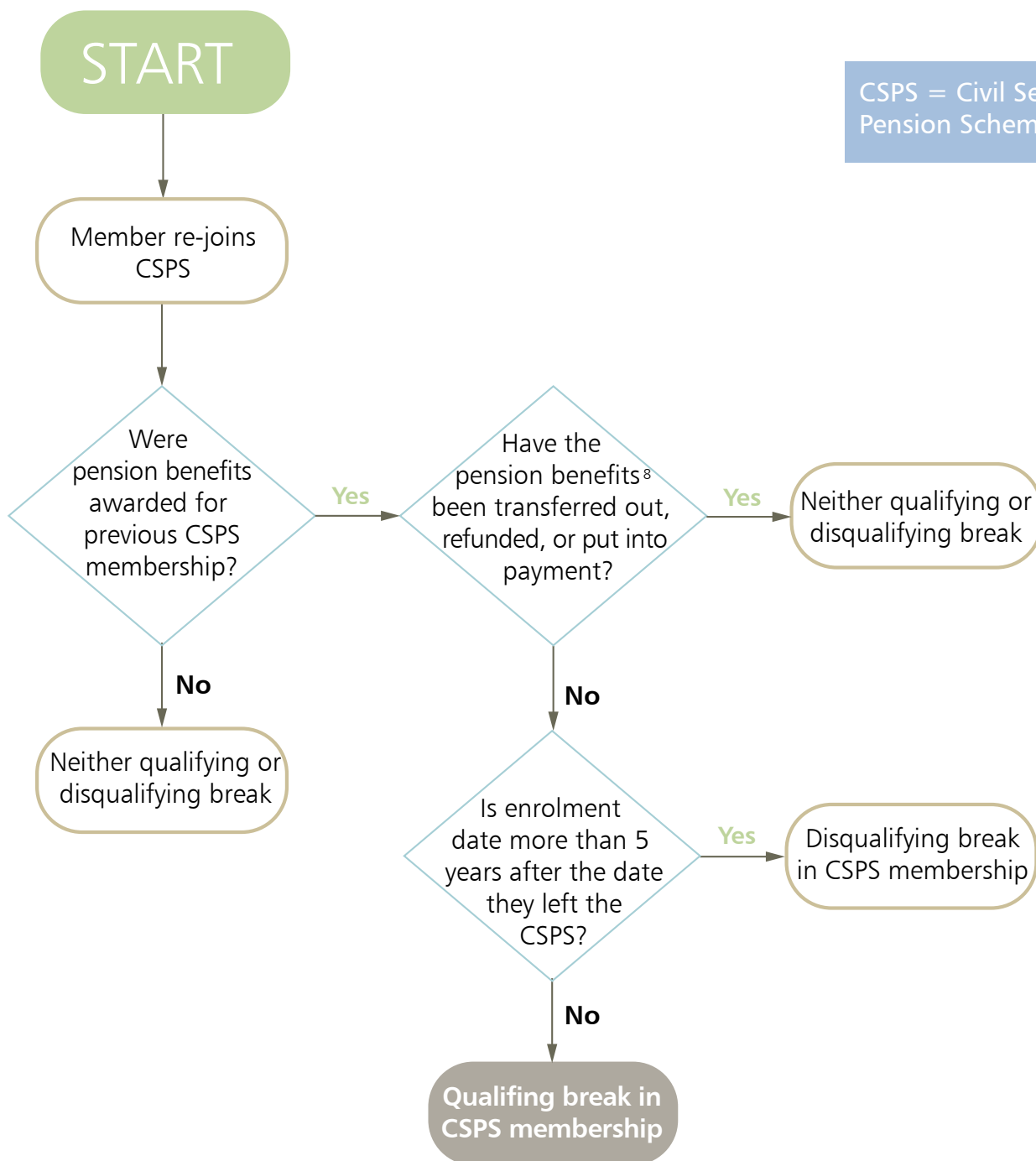
Not Protected

No

No

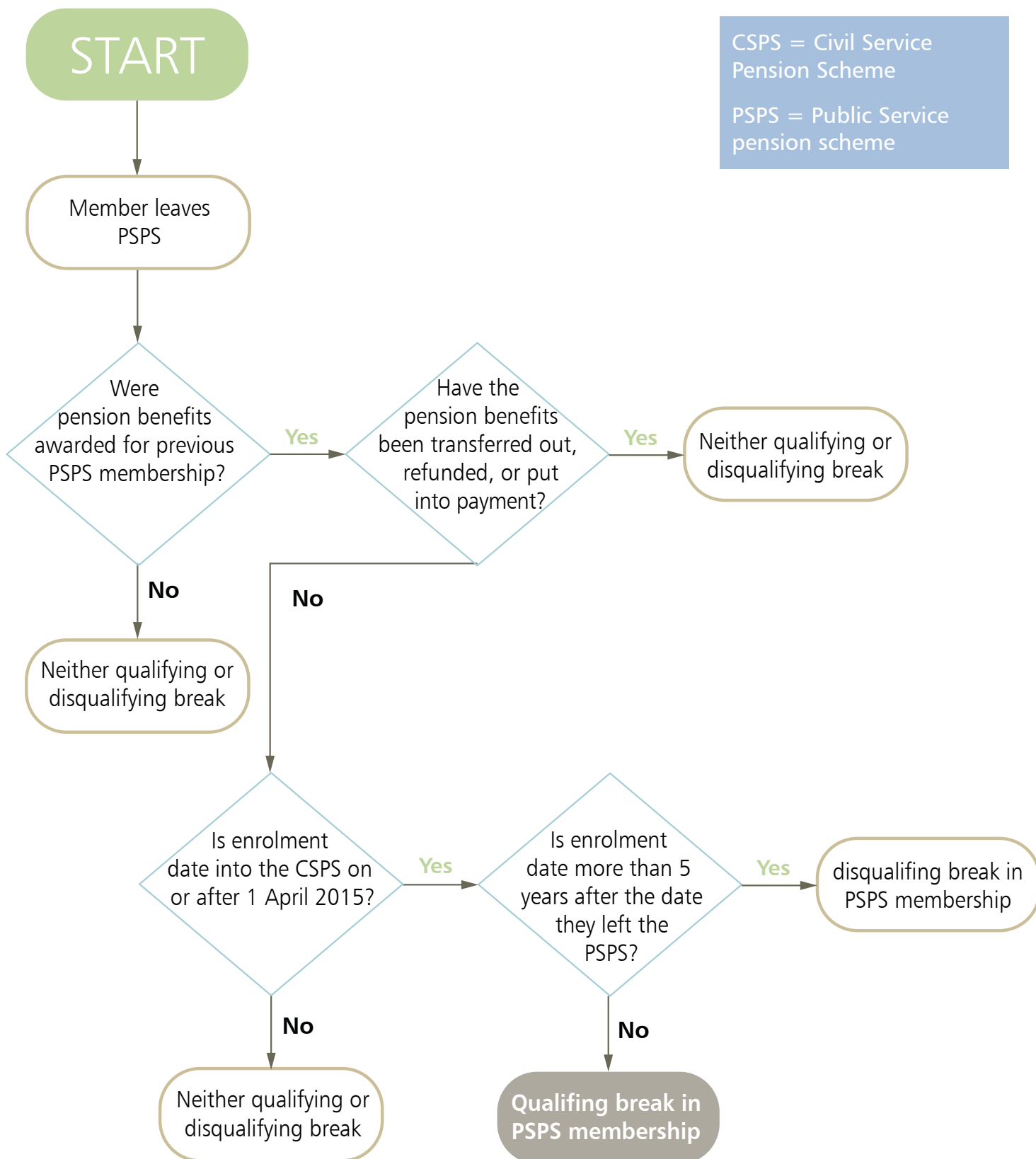
Not Protected

Appendix C – Process for determining whether a break in Civil Service Pension Scheme membership is qualifying or disqualifying

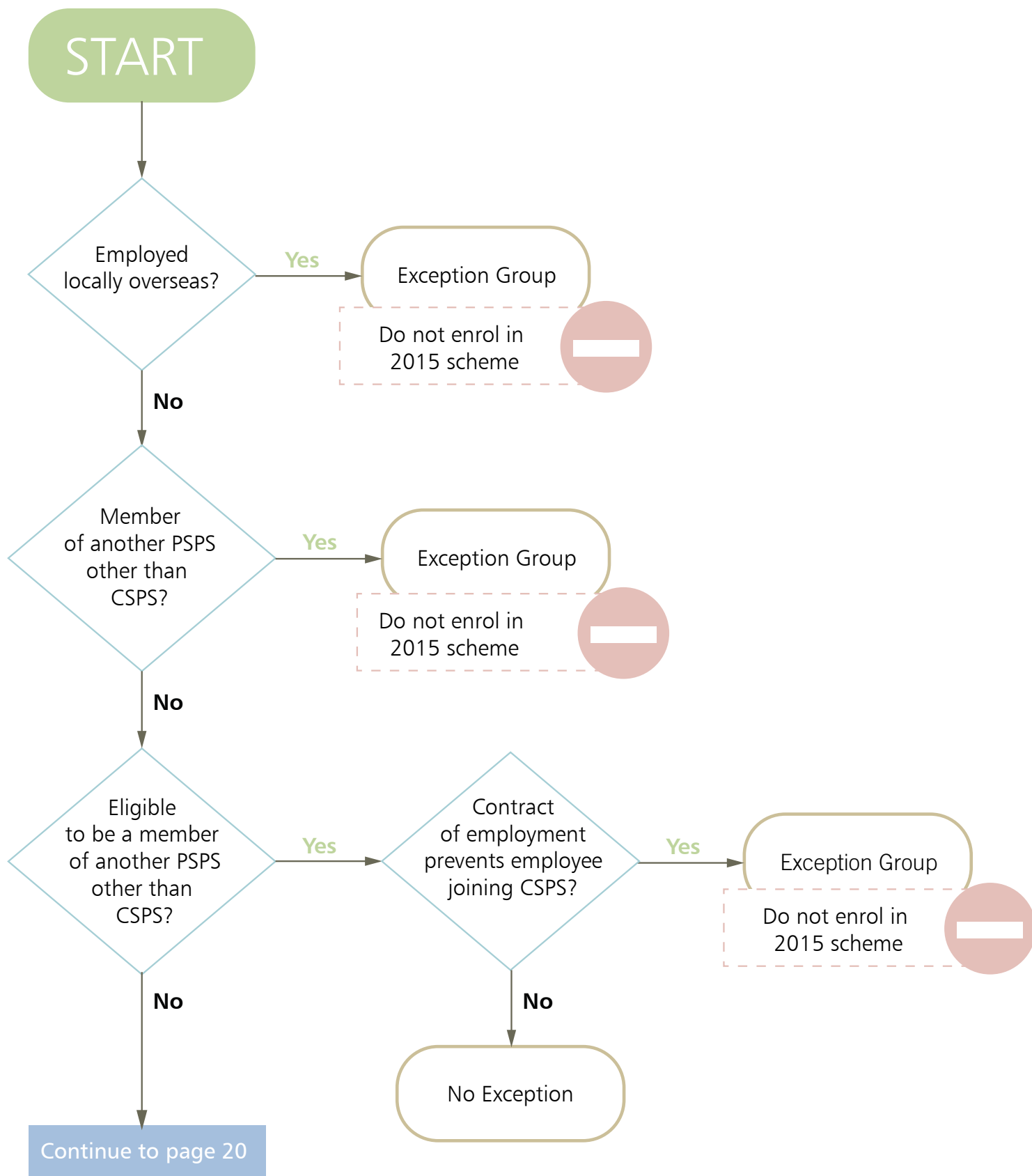


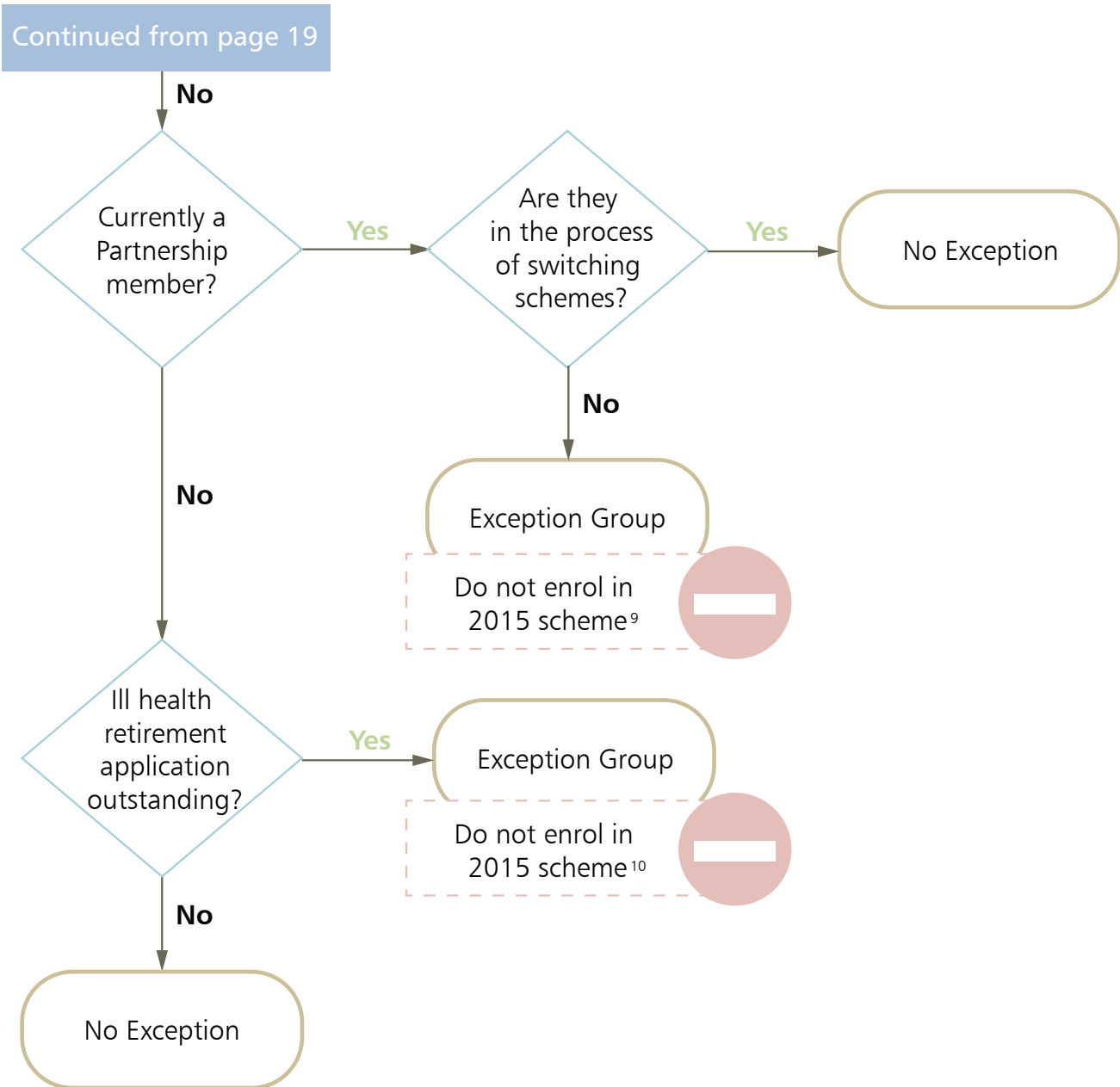
⁸ Pension benefits are awarded when a member leaves the pension scheme before or after retirement age, and satisfies the relevant criteria for an award of pension benefits

Appendix D – Process for determining whether a break in Public Service Pension Scheme membership is qualifying or disqualifying



Appendix E – Process for determining if an employee is a member of an exception group

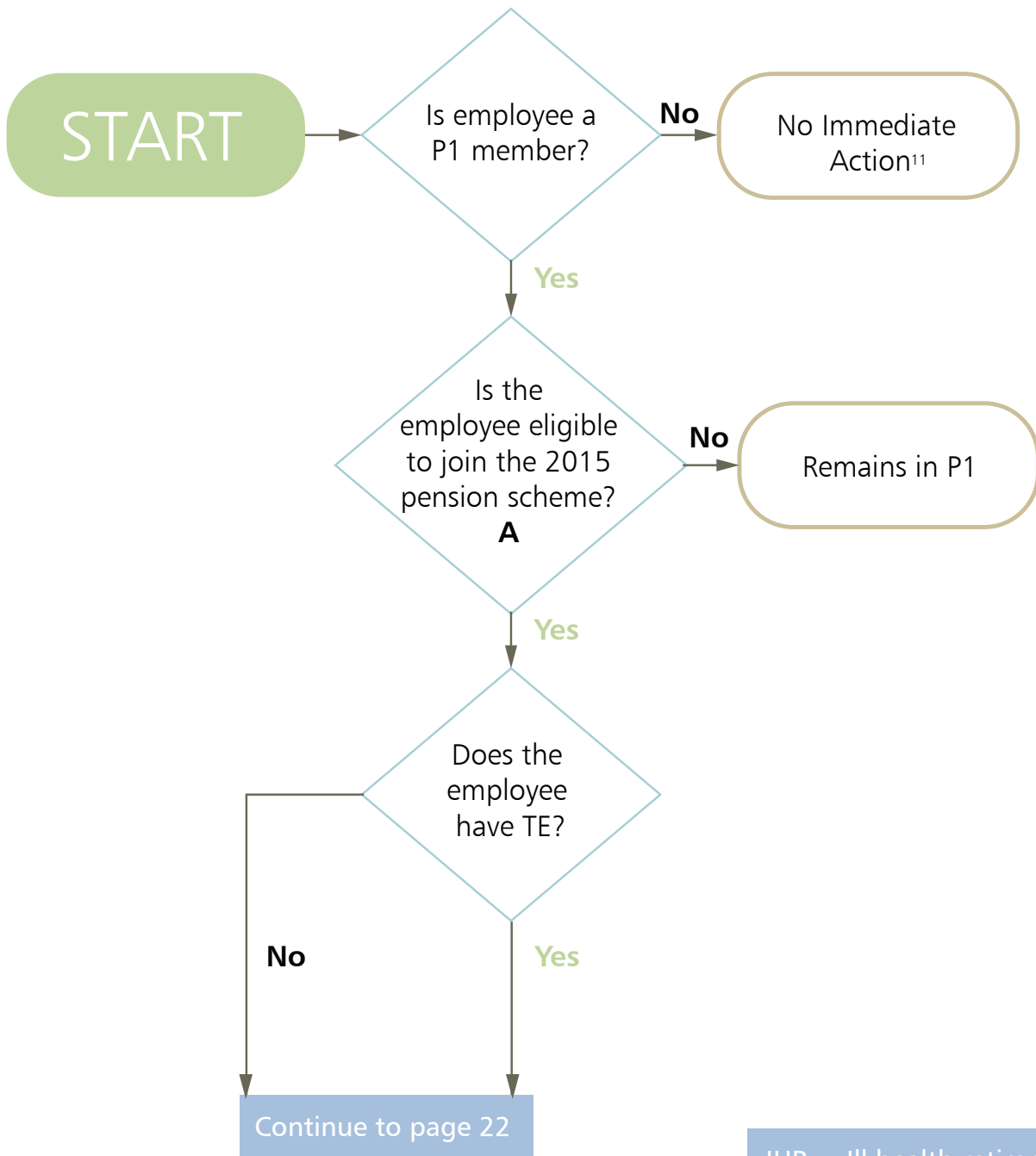




⁹Until member chooses to switch schemes

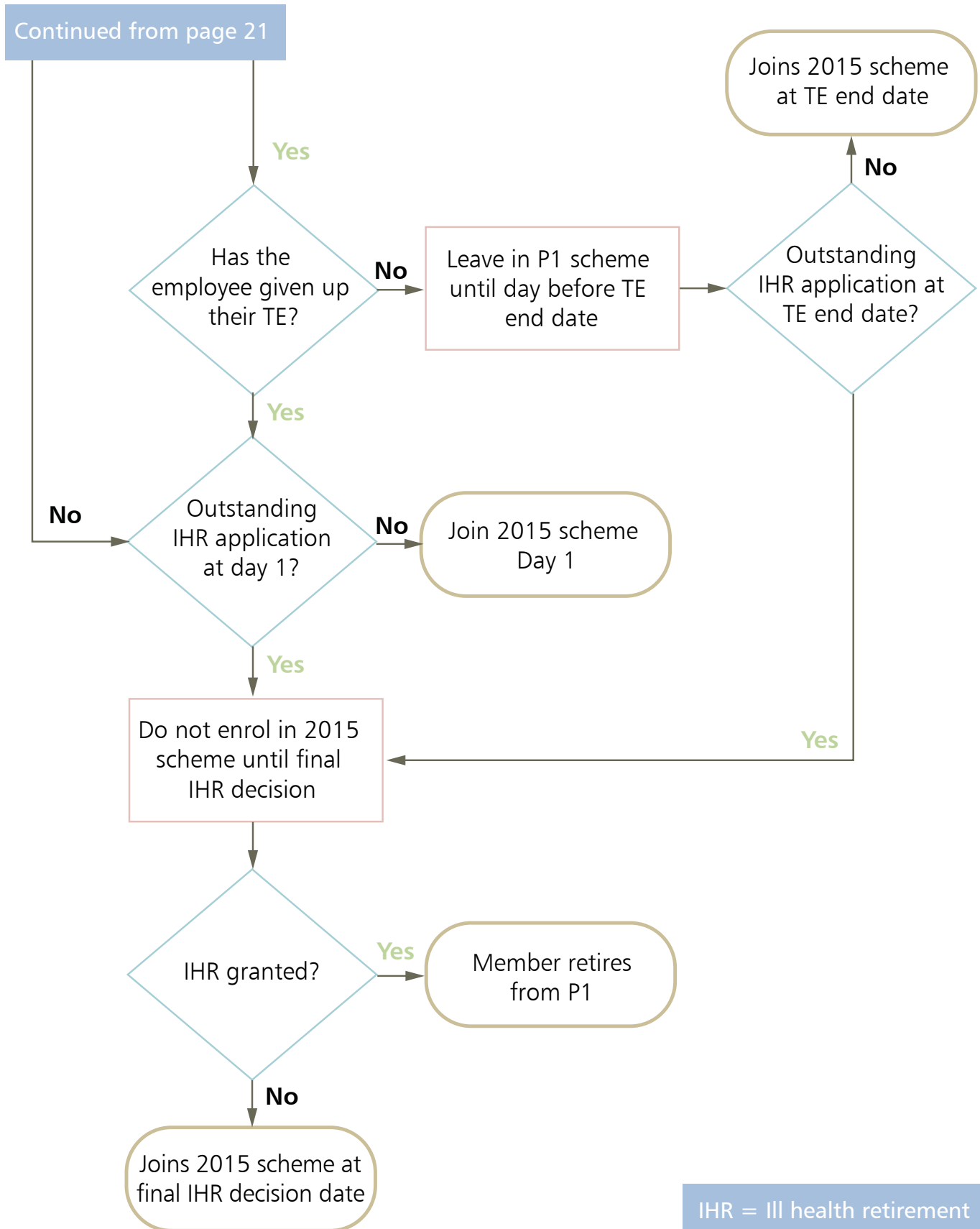
¹⁰Until Ill Health Retirement rejection decision date. Further details around Ill Health Retirement will be communicated to you

Appendix F – Process for moving existing part 1 pension scheme members into the 2015 pension scheme



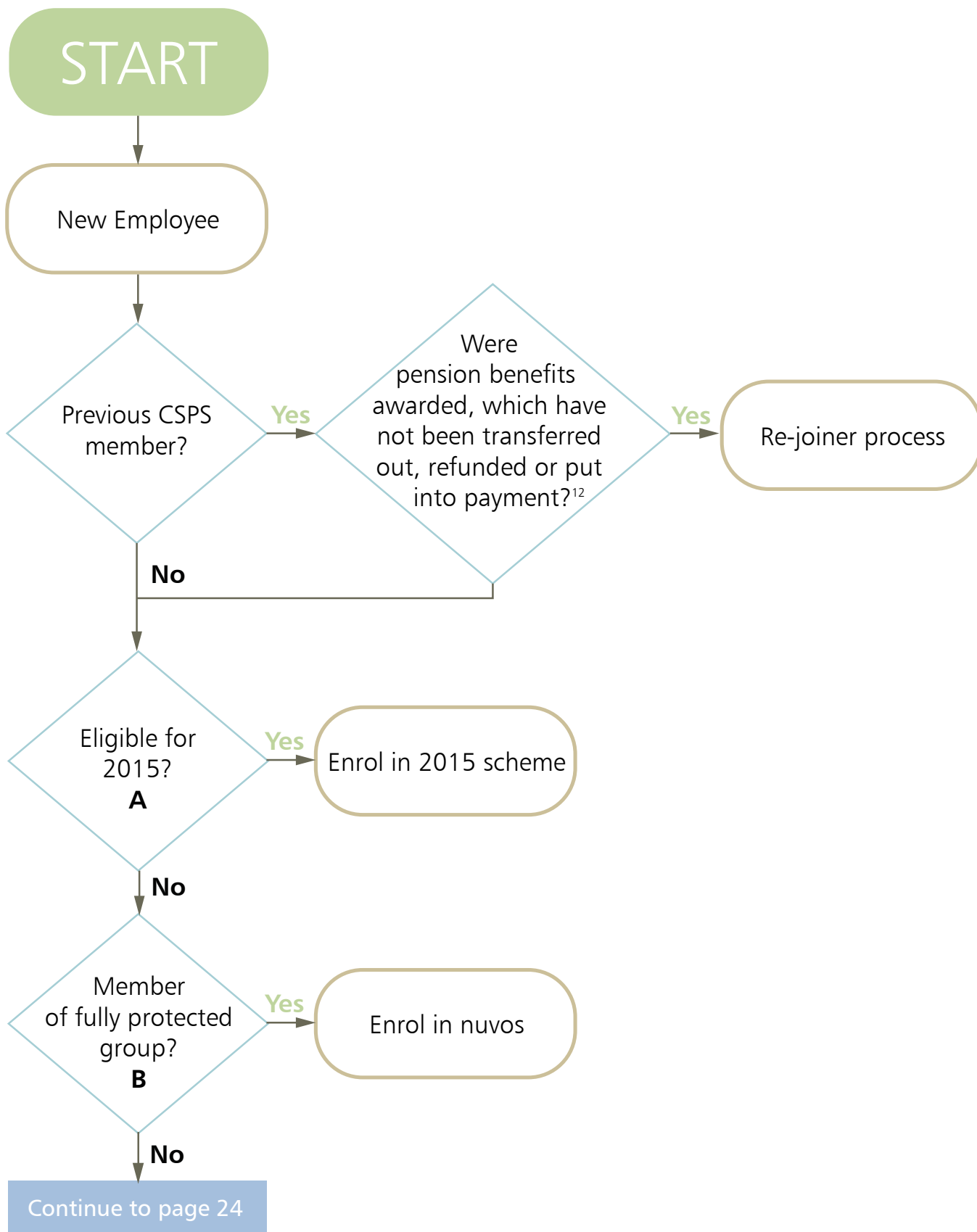
IHR = Ill health retirement
 P1 = Part 1 pension scheme
 TE = Tapered Enrolment
 Day 1 - 1 April 2015

¹¹ Follow auto-enrolment process where applicable

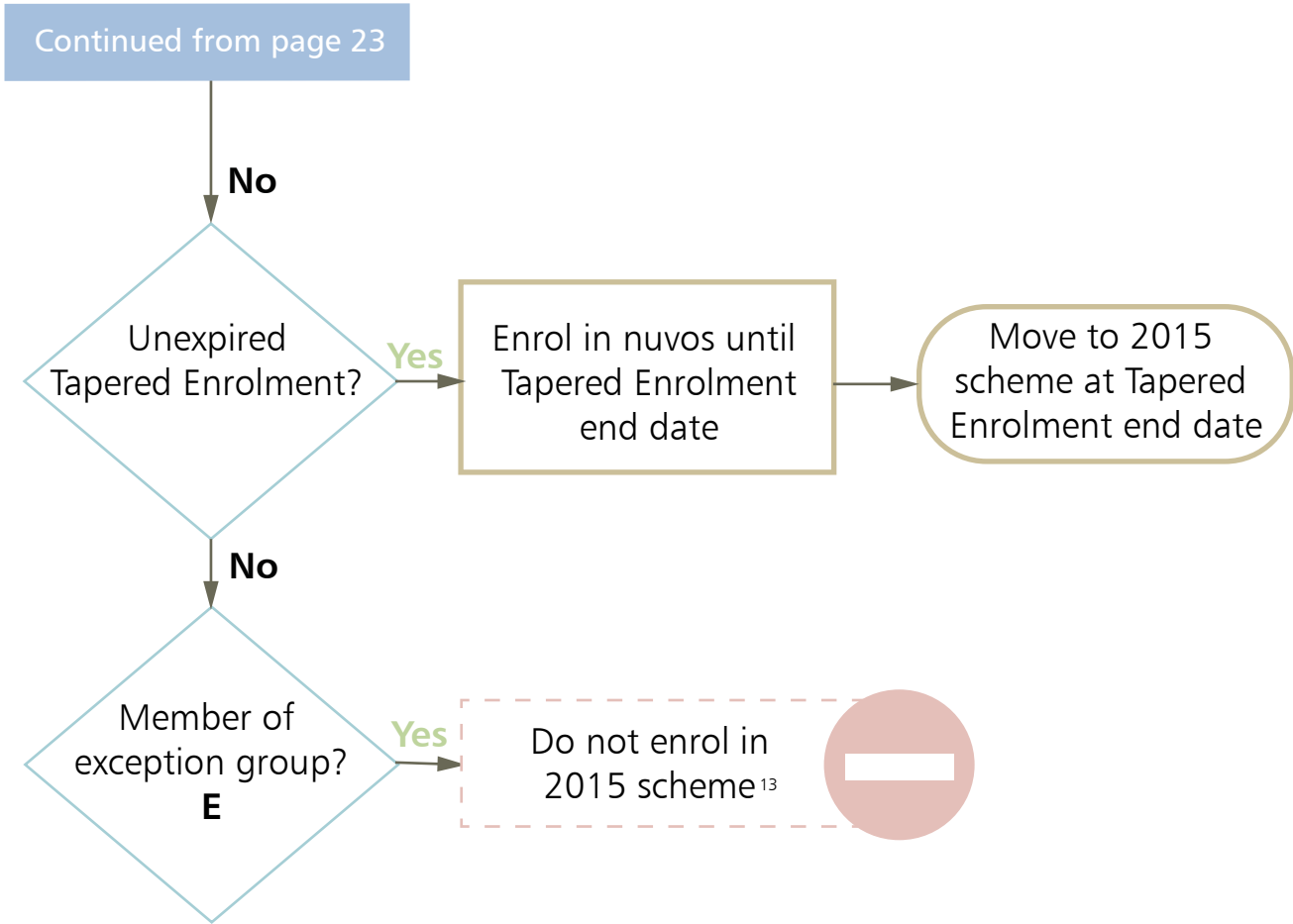


IHR = Ill health retirement
 P1 = Part 1 pension scheme
 TE = Tapered Enrolment
 Day 1 - 1 April 2015

Appendix G – The process to determine the correct pension scheme to enrol a new employee into

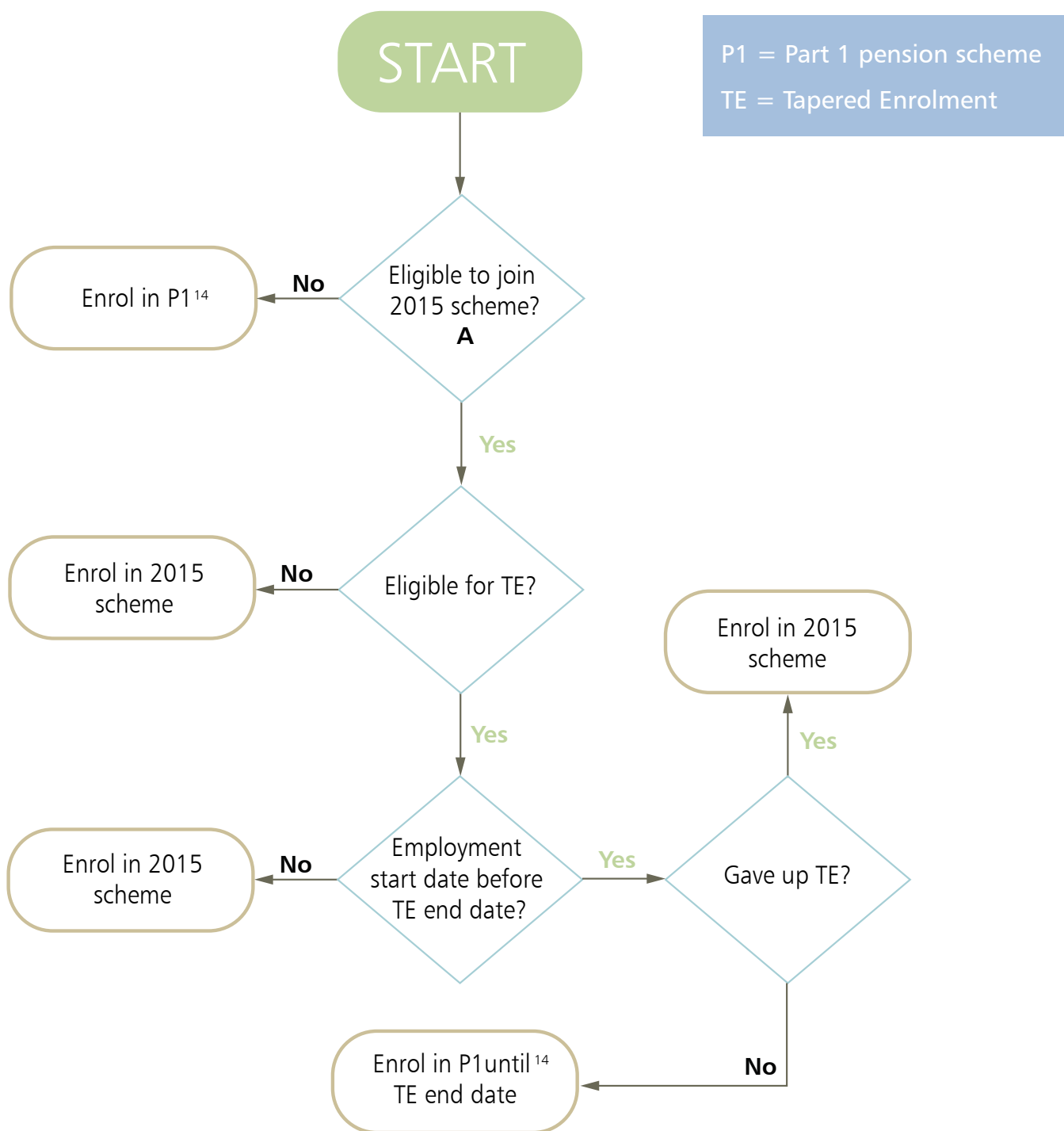


¹² Pension benefits are awarded when a member leaves the pension scheme before or after retirement age, and satisfies the relevant criteria for an award of pension benefits



¹³ Or, until circumstances change

Appendix H – The process to determine which pension scheme to enrol an employee rejoining on or after 1 April 2015



¹⁴A 2015 scheme re-joiner calculator will be provided to determine which section of the P1 scheme you should enrol an employee into

