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| **Applying to join the** **Civil Service Pension Schemes under New Fair Deal** |

Application Guidance



***Please retain this guidance, as you may need to refer to it at a later date***

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 Introduction

This guidance should be read by:

1. **The contracting authority/department -** individuals/teams responsible and involved in contracting, tendering and outsourcing (see “who should read this guidance?”) and
2. **The prospective new employer**

It is designed to help you understand the application process for joining the Civil Service Pension Schemes (Pension Schemes) arrangements under New Fair Deal. The Pension Scheme arrangements consist of:

* Principal Civil Service Pension Scheme (classic, classic plus, premium and nuvos)
* Civil Service Additional Voluntary Contribution Scheme (CSAVC)
* Partnership Pension Account
* Partnership Pension Account Death Benefit Scheme
* Partnership Pension Account Ill Health Benefit Scheme
* Designated Stakeholder Pension Scheme
* The Public Service (Civil Servants & Others) Pensions Regulations 2014 (alpha).

Currently, alpha, nuvos, premium, classic plus and classic are ‘contracted out’ schemes. This means the contractor and the member pay National Insurance contributions at a reduced rate. Partnership members pay the standard rate. You can find further information on the rates you need to apply by visiting [www.hmrc.gov.uk](http://www.hmrc.gov.uk) Contracting out will stop in April 2016.

See Section 3 of the Employers Pension Guide (EPG) for an overview of the Civil Service Pension arrangements

www.civilservicepensionscheme.org.uk/employers/employer-pension-guide

The Management of the Civil Service Pension (CSP) arrangements is the responsibility of the Civil Service Pensions Board (CSPB). Cabinet Office carries out the day to day management. This means that we run the admissions process.

MyCSP provides the scheme administration under contract to the CSPB. Cabinet Office manages this contract on behalf of the CSPB.

If you have any queries about the content of this guidance, please contact Cabinet Office on 01256 846133 or email: PCSPSadmissions@cabinetoffice.gov.uk

 Who should read this guidance?

We have written this guidance specifically for people in Government Departments who have the responsibility for contracting out services and staff transfers in the following situations:

1. Initial transfers also known as first generation transfers. This covers all staff transfers from the Civil Service to a private sector employer who qualifies under New Fair Deal.
2. Re-tender situations where services, which have been compulsorily transferred from the Civil Service, are being retendered. These are known as second generation transfers.
3. Any other situation in which a Government Department wishes to apply New Fair Deal.

In 1 & 2 above there is an expectation that New Fair Deal will apply.

In 3, the Government Department exercises its discretion under paragraph 1.32 of the HMT Fair Deal Guidance of October 2013 to allow employees to re-join the Pension Schemes.

Please note the pension admission process typically takes between 3-6 months. It is essential that you share this guidance with the proposed new private sector employer, in good time in order to facilitate the process, if they are to join the Pension Schemes.

As the sponsoring, Government Department or Authority responsible for the transfer, you are obliged to ensure that Fair Deal and new Fair Deal issues are dealt with early on in the process. You must notify Cabinet Office as soon as you expect that a transfer or an event, which triggers staff remaining or returning to the Civil Service Pension arrangements, might take place.   You should meet this obligation even before a preferred bidder is appointed.

See Fair Deal for Staff Pensions: staff transfer from central government [www.gov.uk/government/publications/fair-deal-guidance](http://www.gov.uk/government/publications/fair-deal-guidance)

Note: for ease of reference, we will use the term ‘body’ to describe the private sector employer who is seeking to participate in the Pension Schemes.

 Pension Schemes eligibility and participation

**Initial transfers:**

Staff that are compulsorily transferred from central government with a contract for services into the private sector, a public service mutual or to other new models of public service delivery may retain their membership of the Pension Schemes.

**Retender and other situations:**

To be eligible to return to the Pension Schemes the employees:

1. were originally compulsorily transferred out of the public sector;
2. were former members of/or eligible to be members of the Civil Service Pension Schemes
3. remain working on the transferring services;
4. remain in/or eligible to be in a broadly comparable pension scheme; and
5. have not otherwise lost eligibility.

Re-tendering and other second generation situations where staff are returned to the Pension Schemes are complex. Legal and actuarial advice must be taken well in advance.

In all situations involving a procurement or tender process Fair Deal pension issues must be raised early on.

 The admission process

If after you have read the necessary guidance and, you still wish to apply, please complete the application form and return it to the address given at the end of this guidance.

We will review your application and send you an Admission Agreement along with guidance on completion. You will need to read the Admission Agreement carefully and take appropriate action. You must pass a copy of the Admission Agreement to the body seeking to participate in the Pension Schemes. Your responsibilities and the Body’s responsibilities are set out in the Admission Agreement. We will also notify MyCSP who will contact you and the body. You will need to liaise with MyCSP to ensure the body seeking admitted body status is ready for participation in the Pension Schemes.

Once the Admission Agreement has been signed by the body seeking admitted body status and the Government Department responsible for the transfer of staff the Agreement must be returned to Cabinet Office for signature 2-3 weeks in advance of the transfer date.

 Setting up

You need to be aware that any body joining the Pension Schemes will have to meet the costs involved, both in joining the scheme and for on-going administration for their employees.

**On-boarding fee – MyCSP**

MyCSP will inform you of the on-boarding costs for this transfer. For details of the charges you should email projects@mycsp.co.uk

**Administration fee**

There is an annual administration fee payable to the Cabinet Office, which covers all core services. The charge is currently £24 per active member.

**Paying contributions and other charges**

The sums the body is required to pay are set out in the Admission Agreement and, where appropriate, clarified on the scheme website.

The body will need to pay employee and employer pension contributions. Employer contributions are known as Accrued Superannuation Liability Charges (ASLCs).

Employer contribution rates:

[www.civilservicepensionscheme.org.uk/employers/employer-contribution-rates](http://www.civilservicepensionscheme.org.uk/employers/employer-contribution-rates)

Employee contribution rates:

[www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn403](http://www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn403)

More information is available in Section 3 the EPG - [www.civilservicepensionscheme.org.uk/employers/employer-pension-guide/civil-service-pension-arrangements](http://www.civilservicepensionscheme.org.uk/employers/employer-pension-guide/civil-service-pension-arrangements)

In all cases, the payroll must complete schedules to accompany payments - [www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn403](http://www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn403). For members in partnership, the scheme website has a template of the partnership payment schedule - [www.civilservicepensionscheme.org.uk/employers/employer-forms](http://www.civilservicepensionscheme.org.uk/employers/employer-forms). You will need to send this to the partnershipprovider via web based scheduling.

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| The body will need to deduct and pay employee pension contributions. The body must not deduct contributions from employees until Cabinet Office has agreed the effective transfer date and an Admission Agreement is in place. |

The body will need to discuss with their payroll (or payroll provider) how to pay over employer and employee contributions and contributions to external pension providers, where applicable. These are either paid to Cabinet Office or to the relevant external provider.

**Setting up a payroll ‘interface’**

It is essential that the body has a payroll interface in place as soon as possible after staff transfer. The body’s payroll team/external payroll provider must pass accurate member data to MyCSP on a regular basis, after the initial set up **To do this, the payroll provider must have sufficient information about the employees from the former employer/payroll provider in advance of the staff transfer.** This includes, but is not exclusive to, the section of the pension scheme the member is in, the tapered enrolment end date for members moving into alpha, permanent pensionable allowances and any ‘one-off’ pensionable payments. The body must have a pay system, which can interface with MyCSP’s administration software. The payroll system must provide regular updates to the member’s records.

**Including pensions work in the payroll provider’s contract**

The body must ensure that their payroll or provider can carry out processes relating to the Pension Scheme arrangements. At the end of each business year, the body will need to provide an assurance that their payroll or payroll provider has provided accurate data (through the interface) to MyCSP.

The body must be able to describe:

* the development of a system that would interface with that of MyCSP and the processes for getting this done
* their ability to link every pay code to every pensions code (identifying which pension scheme each individual is in, whether they have pensionable and/or non pensionable allowances, and ‘partnership numbers’)
* the ability to identify ASLC (employer contribution) ranges relating to classic, classic plus, premium, nuvos and alpha and to relate them to the correct year
* the ability to process partnership accounts and the related ‘mini ASLC’
* the ability to report on employer and employee contributions to each pension scheme.

This list is not exhaustive. They may wish to add to this list according to the level of service required from the payroll.

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| The body must provide details of the payroll provider as soon as possible after the award of contract. This will enable MyCSP to provide a unique code to identify the body as an employer who will participate in the pension scheme arrangements. |

**HR staff**

The body is responsible for ensuring that their HR staff fully understand their roles and responsibilities regarding pensions. While MyCSP will deal with the technical aspects of pensions, HR staff must understand the impact that their decisions and actions have on pensions.

 Legacy pension records

The contracting authority will retain responsibility for passing on information regarding legacy pension records, including those transferred in from other government departments.

 Communicating with staff

In addition to provision of the materials for new entrants, the body must have robust communication channels in place to tell all their employees about the benefits of the scheme and where to get answers to their questions. They will need to consider the following:

* easy access to member information such as the Scheme website and scheme publications
* access to MyCSP’s contact centre telephone no., which can be found on the website under ‘contact us’ www.civilservicepensionscheme.org.uk/contact-us

Either Cabinet Office or MyCSP will occasionally ask the body to issue a Notice to scheme members when we have an important message to be communicated. Notices will be attached to either an EPN (Employer Pension Notice) that Cabinet Office will send or a MEM (Employer Memo) that MyCSP will send to them. When communicating with their members they must ensure:

* all members have the chance to see these important notices
* the body retains these notices centrally so that they have their own audit trail of pension communications.

 Reporting to Cabinet Office

Each quarter and at the end of each year, all bodies must give us information about how they have managed their responsibilities as set out in the Admission Agreement. This is done via the Annual Compliance Report and Certificate and the Quarterly Assurance Report

**The Annual Compliance Report and Certificate**

The body is responsible for signing a certificate and checklist for submission to the Cabinet Office confirming that the organisation has met its responsibilities as laid out in the Admission Agreement. The body will also need to provide a list of pension schemes members and those who have left the schemes along with their reasons for leaving.

If there are any compliance issues the body will need to list them with the remedial action being taken and when this will be completed by.

The Annual Certificate covers the scheme year (1 April – 31 March). We must receive these certificates no later than 30 April of the following scheme year to meet the deadline for publishing our Accounts.

**Quarterly Assurance Report**

The body will be sent a Quarterly Assurance Report to complete. This report asks for confirmation that the payroll interface is in place and there are no reported issues with it or a progress report where it is still in development. The body must also provide a list of pension schemes members and those who have left the schemes along with their reasons for leaving. The body will also have the opportunity to raise any issues.

 Next Steps

Once the initial application form has been received and an admission date agreed, we will pass the details to MyCSP. MyCSP will send you an ‘Introduction Pack’, which must be shared with the body. It will contain:

* A scheme overview
* A checklist and timescales
* The Payroll Interface Developer’s Guide (link to Scheme website)
* Key contact information

 Sources of help and support

**Admission process**

For help on the admission process please contact PCSPSadmissions@cabinetoffice.gov.uk

**The Employers’ Pension Guide (EPG), Employer Pensions Notices (EPNs) and Employer Memos (MEMs)**

The EPG sets out the procedures that you need to follow. The body must be able to access this on the Scheme website. It is updated by Employer Pension Notices. You will need to give Cabinet Office the correct distribution contact for EPNs and MEMs. The contact must make sure that the information in the Notices is communicated to all relevant staff and that the appropriate actions are taken.

**Employer queries**

If you can’t find the answer to a query in the Employers’ Pension Guide on the scheme website, or in an Employer Pension Notice, the body should contact the MyCSP contact centre. Their contact details are on the website under ‘contact us’.

**Website (www.civilservicepensionscheme.org.uk/employers/applying-to-join-civil-service-pensions/new-fair-deal)**

The Scheme website provides various important sources of information, including:

* Documentation and guidance regarding the application and administration of the New Fair Deal admission process
* Employers’ Pension Guide
* Employer Pension Notices
* Forms and calculators
* Training materials for members and HR staff
* Employer Memos
* Scheme publications

Please return the completed form to:

PCSPSadmissions@cabinetoffice.gov.uk

or Cabinet Office, Priestley House, Priestley Road, Basingstoke RG24 9NW

***Please retain this guidance, as you may need to refer to it at a later date***

Application Form

*Application for admission of a body to the pension schemes under new Fair Deal.*

**PART ONE**

To be completed by the department/authority acting as the contracting authority

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| Name .......................................................................................................................................Department ..............................................................................................................................Postal address .............................................................................................................................................................................................................................................................................................................................................................................................................................Telephone number ...................................................................................................................Email address .......................................................................................................................... |
| Full legal name of the body to be admitted.................................................................................................................................................. |
| Brief Description of the function/remit of the service being transferred to the body – *this information will be published under Schedule 9, 3(6)(b) of the Public Service Pensions Act 2013*..................................................................................................................................................From where are the staff being transferred? …………………………………………………………………………………………………………..(If this is not a Government Department or a body already participating in the civil service pension schemes additional consideration may apply, see guidance note - re-tender and other situations above) Please explain when staff originally transferred out of public service and from where? ……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………....………………………………………………………………………………………………………….………………………………………………………………………………………………………….………………………………………………………………………………………………………….…………………………………………………………………………………………………………. |

**PART TWO**

**Please answer the following questions.**

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| **Details of body****1** Number of staff transferring to or remaining with the body .............................................. |
| **2** Is the body covered by any other pension arrangements? yes\* ⃞ no ⃞\*If yes, provide outline detail. ........................................................................................................................................ ........................................................................................................................................  |
| **3a** Please state the body’s payroll provider and details of a named contact.   ………………………………………………………………………………………………3b Please confirm you have arrangements in place to transfer member details and their  pension information to the body.  ....................................................................................................................................... |
| **4** Please state from which date you wish admission to the Pension Schemes arrangements to take effect   ................................................................... |
| **5** The contracting authority’s MyCSP Pension Service Centre (if known)* Newcastle  Cheadle
* Liverpool  Worthing

 Name of current Service Delivery Manager ................................................................... |
| **6** Contact details of the body/office you wish to be admitted. Name .............................................................................................................................. Postal address ................................................................................................................ ......................................................................................................................................... Telephone number …………………………………………………………………………….. Email address ............................................................................................................... |