

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.

In April, employers issued an Office Notice (**insert reference**) explaining that the Prime Minister had asked Ministers, under the chairmanship of Alan Johnson, then Secretary of State for Work and Pensions, to talk to the public service trade unions about issues affecting all the pension schemes and, in particular, the proposed move to increase pension age to 65. As a first step in the process, Alan Johnson chaired a Pensions Summit on 31 March, which public service unions and Ministers responsible for public service schemes attended.

Following the General Election, Alan Johnson has continued with this role, supported by John Hutton (Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office) and Des Browne (Chief Secretary to the Treasury). Alan Johnson has now chaired two special 'Pensions' meetings of the Public Services Forum (the PSF exists to improve communication between Government, public service employers and trade unions on public service and workforce reform) in July. Both Civil Service employers and unions are represented. The third meeting is scheduled for September.

The PSF discussions are focused on agreeing a set of principles. These will provide a framework within which subsequent negotiations will take place at individual scheme level. These scheme-specific negotiations will consider other aspects of change to pension arrangements. Other changes that have to be made to the Civil Service pension arrangements, when the rules on pensions and tax change in April 2006, will be considered outside these discussions; employers will issue a separate office notice about these soon.

Cabinet Office and the Civil Service unions expect to recommence formal negotiations as soon as the PSF has agreed the principles. Once these have concluded, the Cabinet Office

then plans to publish a follow-up document. This will summarise the responses to the consultation “Building a sustainable future” and set out the proposed way forward which will also reflect the outcome of the discussions with the unions. In the meantime, Cabinet Office will issue further updates through office notices and on its 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.