

Annex A

| Type of exit   | Position/Actions needed  |
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| <b>CATEGORY 1 – STAFF WHO HAVE ALREADY LEFT UNDER 2016 TERMS</b> |  |
| <b>VE</b>  | <p>You will shortly need to review VE exits to be sure that you would not have offered different VE terms under the 2010 scheme. We will provide information and guidance on this shortly.</p>   |
| <b>VR</b>  | <p>MyCSP will recalculate exits on 2010 terms and staff will be paid the difference. This will take some time but we expect MyCSP to contact staff directly by early October and then make any payments by the end of the year</p> <p>You should note that the position for those aged 50-54 will be complicated. We are working through this and will provide further advice.</p>   |
| <b>CR</b>  | <p>You do not need to re-run VR on 2010 terms but all CR payments on 2016 terms will need to be recalculated on 2010 <u>VR</u> terms. As above MyCSP will contact staff directly by early October and then make any payments by then end of the year.</p> <p>Given the availability of pension top ups in VR terms but not CR the position will be more complicated for those aged over 50. We are working through this and will provide further advice.</p> |

| <b>CATEGORY 2 – STAFF WHO AGREED AN OFFER UNDER 2016 TERMS BUT NOT YET EXITED (OR WHERE CR NOTICE ON 2016 TERMS HAS BEEN ISSUED BUT STAFF HAVE NOT YET LEFT)</b> |   |
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| <b>VE</b>  | <p>If not already done, you urgently need to review VE exits using guidance at annex B to be sure that you would not have offered different VE terms under the 2010 scheme. You should notify the Cabinet Office using the form at annex C if you have any staff in this position and we will provide you with full advice.</p> <p>As an immediate action you should:</p> <ol style="list-style-type: none"> <li>1) Notify Cabinet Office if you have any staff in this category.</li> <li>2) Review exit terms using guidance at annex B</li> <li>3) Notify staff of the outcome of that review, after contacting Cabinet Office for standard text</li> </ol>  |
| <b>VR – aged 50-54 (with a protected minimum pension age of 50)</b>  | <p>The difference between 2010 and 2016 terms is materially different for this group because of the entitlement to a pension top up under 2010 terms but not under 2016 terms. MyCSP has identified individuals in this group and will urgently issue a new quote on 2010 terms. This may mean you need to delay the last date of service for some staff.</p> <p><u>As an immediate action you should</u> contact the Cabinet Office if you have any staff in this situation and then proactively contact staff with standard text provided by Cabinet Office.</p>  |
| <b>VR – all others</b>   | <p>The exit payment should go ahead on the agreed date using 2016 terms. MyCSP will subsequently recalculate exit on 2010 terms and pay the difference. MyCSP will contact staff directly by early October and then make any payments by the end of the year</p>  |
| <b>CR – aged under 50</b>  | <p>You do not need to re-run a VR scheme on 2010 terms but all CR payments on 2016 terms will ultimately need to be recalculated on 2010 <u>VR</u> terms. The exit can proceed on 2016 CR terms and MyCSP will then subsequently recalculate the exit on 2010 terms and pay the difference. MyCSP will contact staff directly by early October and then make any payments by the end of the year.</p>   |
| <b>CR – aged over 50 (with protected minimum pension age of 50) and under normal pension age</b>   | <p>You do not need to re-run a VR scheme on 2010 terms but all CR payments on 2016 terms will need to be recalculated on 2010 <u>VR</u> terms. Those over 50 in their scheme will be in a materially different position as a result of this, since they may now have an option to take a pension top up, which they would not have had under 2010 standard CR terms. Given this, MyCSP will identify individuals in this group and will urgently issue a new quote on 2010 terms. This may mean you need to delay the last date of service for some staff.</p> <p><u>As an immediate action you should</u> contact the Cabinet Office if you have any staff in this situation and then proactively contact staff with standard text provided by Cabinet Office.</p> |

| <b>CATEGORY 3 – EXIT SCHEMES IN TRAIN WHERE QUOTES HAVE BEEN ISSUED BUT THERE HAS BEEN NO FORMAL ACCEPTANCE OF AN OFFER</b> |  |
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| <b>VE</b>   | <p>You now need to review VE exits using guidance at Annex B to be sure that you would not offer different VE terms under the 2010 scheme (as this is now the lawful scheme in place). You should notify Cabinet Office using the form at Annex C if you have any staff in this position and we will provide you with full advice.</p> <p>If you decide that you do need to offer different terms you will need to start the VE scheme again and first seek CO approval as normal through <a href="mailto:redundancyschemes@cabinetoffice.gov.uk">redundancyschemes@cabinetoffice.gov.uk</a>.</p> <p><u>As an immediate action you should:</u></p> <ol style="list-style-type: none"> <li>1) Review VE terms in line with guidance.</li> <li>2) [IF NEEDED] Seek CO approval and relaunch VE scheme</li> <li>3) Notify staff of the outcome of that review using standard text provided by Cabinet Office</li> </ol> |
| <b>VR</b>   | Quote will be re-issued on 2010 terms.   |

| <b>CATEGORY 4 – SCHEMES ABOUT TO BE LAUNCHED AND/OR QUOTES ABOUT TO BE ISSUED</b> |   |
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| <b>VE</b>   | <p>All VE exits will be under the 2010 CSCS terms, which include the flexibility not to offer the maximum tariff. As currently, all VE schemes will need Cabinet Office approval and bulk schemes will need Ministerial approval. We will provide further information on approvals and scrutiny for future VE schemes shortly.</p> <p>If you had previously decided on terms under the 2016 scheme you will need to review VE terms using the guidance at Annex B. If you intend to change VE terms that have already been approved, please complete the form at Annex C of this EPN and you will need to obtain new CO approval in the usual way through <a href="mailto:redundancyschemes@cabinetoffice.gov.uk">redundancyschemes@cabinetoffice.gov.uk</a>.</p> |
| <b>VR</b>   | New schemes should be launched and/or quotes issued on 2010 terms.  |
| <b>CR</b>   | You do not need to re-run VR on 2010 terms but CR entitlements will need to be calculated on 2010 terms.  |

**Table 2: Legal/policy position and action required for Efficiency exits**

| Category   | Position/Action needed  |
|--|---|
| <p><b>E1:</b> Staff who have already been dismissed under 2016 terms and paid their entitlement.</p>             | <p>My CSP will recalculate compensation sums on pre-2016 terms and staff will be paid the difference. This will take some time but we expect MyCSP to contact staff by the end of the year.</p>   |
| <p><b>E2:</b> Staff who have been dismissed and have left the organisation but have not yet been paid</p>        | <p>Where notifications were issued on or before 31 August 2017 they will be on a post-2016 basis. These will be paid and then revisited under pre-2016 terms later.</p> <p>We expect MyCSP to contact staff by the end of the year.</p>   |
| <p><b>E3:</b> Staff who have been dismissed but are still under notice and are yet to be paid.</p>               | <p>Where a member's payment is calculated on or after 1 September 2017 it will be on a pre-2016 basis. Where entitlement was calculated prior to 1 September 2017 it is on a post-2016 basis and the payment will be made and the case reviewed in due course.</p> <p>Please note that employers are now responsible for paying nuvos and/or alpha efficiency compensation as an ex-gratia payment as per the pre 2016 process. HM Treasury have confirmed they are content for a blanket approval to apply to Civil Service employers to make ex gratia payments to alpha/nuvos members.</p> |
| <p><b>E4:</b> Staff who are going through the efficiency dismissal process but no decision has been reached.</p> | <p>Consider whether to award compensation on the basis of the guidance in EPN 471 and calculate on pre-2016 terms.</p> <p>Please note that under pre-2016 terms, no inefficiency compensation was payable to members aged over Normal Pension age. If you wish to make payments to these members an ex gratia award will be required, which requires approval from HM Treasury via Accounting Officers.</p>   |