

# Employer Pensions Notice

## EPN 289

### Civil Service Compensation Scheme (CSCS)

#### Handling arrangements

- Audience** This Notice will be of particular interest to: HR staff involved with early exit departures under the CSCS
- Action** Staff planning early exit departures to discuss plans with your Client Relationship Manager (see below)
- Timing** Discussion of plans - immediate. New CSCS arrangements expected to be introduced before Christmas.

1. Many Civil Service Employers are now considering voluntary or compulsory redundancy schemes as part of their plans to meet their commitments under the Spending Review. If you are considering the use of a scheme you will need to gain Cabinet Office approval as part of your planning. Send your applications to [redundancyschemes@cabinet-office.x.gsi.gov.uk](mailto:redundancyschemes@cabinet-office.x.gsi.gov.uk).

New Civil Service Compensation Scheme terms are under consultation and the legislation is expected to come into force before Christmas. Please be aware, MyCSP will not be able to issue any Quotes for compulsory or voluntary redundancies under the new terms of the Civil Service Compensation Scheme until these have completed their passage through Parliament.

This Notice highlights new procedures that My Civil Service Pension (MyCSP) has developed over recent months, working with employers to deliver successfully their redundancy schemes. As you will appreciate, we expect there to be a considerable increase in compensation scheme work over the next few months, and then over the next few years. The new procedures will help to ensure that together the expected increase in demand for redundancy schemes can be managed efficiently and effectively for all.

MyCSP is committed to supporting you through your compulsory or voluntary redundancy schemes and will work with you to achieve your requirements and timetables.

## 2. Getting Started

The Cabinet Office's letter of 28 October and Phil Bartlett's letter of 24 November to HR Directors advised you to contact your Pension Service Centre as soon as you start to plan an exit scheme. You will need to speak to your Client Relationship Manager – see contact details below.

## 3. Three Important Changes

The **first** important change is that MyCSP team of Client Relationship Managers will work with you to understand your requirements, including estimating numbers and timescales. They will also identify and schedule MyCSP capacity and capability to meet your needs. Once agreed, they will sign an agreement with you detailing everyone's responsibilities and including numbers and deadlines for provision of information, and you will commit to delivering that agreement jointly.

Please note that those of you who are clients of Capita and Xafinity Paymaster Pension Service Centres will continue to use their existing contractual processes.

Once you have reached agreement for a specific number of compulsory or voluntary redundancies and the timetable, if you make significant changes in either volumes or timing it may be necessary to reschedule your work. If you need to make changes to the agreement please contact your Pension Service Centre immediately and they will work with you to accommodate the changes and to limit, as best they can, any unwanted impact on your plans.

The **second** important change is that MyCSP will issue Quotes only to those people that you select as eligible. Please ensure you build the requirement, and the resources, for a sift process into your plans. MyCSP will share with you their experience in successfully delivering many other similar schemes and help you keep the number of Quotes required to a minimum. More quotes means more work and more resources for you and for MyCSP, so your commitment to work with MyCSP to minimise the number of Quotes you require is really important in helping us all meet the increase in demand across the Civil Service.

MyCSP will also provide calculators so that you and your employees can estimate the compensation payment they may receive if eligible under the terms of your scheme. This will help them to decide whether to express an interest in volunteering for redundancy and help you to decide eligibility.

The **third** important change is the way the employee data required to provide accurate Quotes and Awards is captured and shared. Any errors or omissions in the data you provide for the employees you are prepared to release will create additional work, require more resource and cause delays. You will need to engage with your selected employees at an early stage to validate their data. Your Client Relationship Manager will provide you with a Compensation Scheme Information form,(CSCS1) for applicants to complete, to help you with this.

Within the Government Secure Intranet, forms may be completed and returned electronically - you should discuss and agree how to submit your Compensation Scheme Information forms with your Client Relationship Manager. Part of your agreement with MyCSP will detail when and how you will control and send completed forms to them. MyCSP cannot arrange any Quotes or payments without this form.

#### **4. Additional Support**

In addition to providing calculators, MyCSP is preparing guidance material for you on handling the New Civil Service Compensation Scheme. This will be finalised and issued once the details of the New Scheme have been confirmed through Parliament.

MyCSP is preparing letters and factsheets for their Pension Service Centres to explain the process and benefits to members, together with any options that they have. Information and key questions and answers will also be made available on the Civil Service Pensions website.

#### **5. The New Civil Service Compensation Scheme toolkit**

MyCSP will issue the supporting materials and resources to you and make them available where appropriate through the Civil Service Pensions Internet Website, once new Civil Service Compensation Scheme legislation has completed the Parliamentary process.

Generic materials and resources will be made available through the Civil Service Pension internet website.

Materials and resources can vary depending on the specific terms of your redundancy scheme (see below), these include process guides and calculators. To help ensure you and your employees are only using materials and resources that are relevant to your redundancy scheme, some materials and resources will only be made available to you for use through your internal systems and process, for example, through your intranet site.

- A Scheme document – providing an outline of the Policy
- Definition of Civil Service Compensation Scheme terms
- A Summary of pensions options related to early exits with compensation payments
- Guides on each of the options
- Guidance on handling the new scheme.
- Calculators for employers and employees that provide estimates under the new terms of the compensation scheme including compensation in lieu of notice.
- For those members who can take their pension early under the terms of their Pension Scheme, a calculator is available on the Civil Service website ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions) under 'calculators'). This allows members and employers to estimate the cost of buying out the actuarial reduction applied for early payment. MyCSP will issue guidance on using the calculator to support your decisions about your early exit scheme.

#### **6. In Summary**

Please contact your Client Relationship Manager if you are planning any early exit schemes.

MyCSP will issue the supporting materials and resources to you once new Civil Service Compensation Scheme legislation has completed the Parliamentary process. Where appropriate these supporting materials and resources will also be available through the Civil Service Pensions internet website.

**Client Engagement Team:**  
Contact details for planning your early exit schemes.

Gill Hiscock MyCSP Client Relationship Demand Manager		<a href="mailto:gillian.hiscock1@dwp.gsi.gov.uk">gillian.hiscock1@dwp.gsi.gov.uk</a>	0191 216 8635
<b>Contact Details: Client Relationship Managers / Contract Managers for your Pension Service Centre</b>			
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**Contacts** Enquiries about content, distribution or to receive in a different format

**[employerhelpdesk@cabinet-office.x.gsi.gov.uk](mailto:employerhelpdesk@cabinet-office.x.gsi.gov.uk)**

**01256 846414**

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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.

This notice is not intended to be circulated to members. Members should be directed to your Pension Service Centre if they have any queries.