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

Application Form and Guidance

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

Contents

Introduction 1

Roles 2

What pension schemes does New Fair Deal cover? …. 3

Pension schemes eligibility and participation 3

The admission process 4

Non Standard Situations 4

Bulk Transfers (2nd generation only) 5

Setting up 6

Communicating with staff 7

Reporting to Cabinet Office 7

Sources of help and support 8

Application form 10

Introduction – What is New Fair Deal?

HM Treasury introduced the New Fair Deal Policy in October 2013. It is a non-statutory policy that sets out how pensions issues are dealt with when staff are compulsorily transferred from the public sector to independent providers delivering public services.

The objective of the policy is to provide an appropriate level of protection to public sector employees’ pension provision when the services they deliver are outsourced.

***The Government is fully committed to the full timely implementation of the letter and principles of Fair Deal policies under the oversight of HM Treasury.***

We will help to guide you through the admission process where staff will be compulsory transferred out for the first time, or, will be re-joining Civil Service Pensions under New Fair Deal.

**IT IS IMPORTANT THAT YOU READ THIS GUIDANCE AND SHARE WITH THE NEW EMPLOYER BEFORE COMPLETING THE APPLICATION FORM**

Roles

**Contracting Authority**

This is the department or team involved in contracting, tendering and outsourcing services to an independent contractor.

As the department responsible for the transfer, you must notify Cabinet Office as soon as you expect that a transfer or an event triggers New Fair Deal.

Depending on the circumstances, the pension admission process typically takes between 3-6 months. It is essential that the Contracting Authority deals with Fair Deal issues early and in good time, if employees are to continue to have access to or re-join the Civil Service pension scheme.

**The New Employer**

This is the independent organisation that enters into a contract with the Contracting Authority to deliver services. The organisation employs the Contracting Authority’s former staff known as “Eligible Employees”.

The new employer must be admitted to the Civil Service Pension Scheme in order for the “Eligible Employees” to have continued access to or re-join the pension scheme.

**Cabinet Office (Scheme Manager)**

The Civil Service Pensions Board (CSPB) has a responsibility to assist the Scheme Manager in overseeing the contract between the Cabinet Office and scheme administrator. Cabinet Office carries out day to day management and is responsible for running the admissions process.

**Scheme Administrator**

The Scheme Administrator carries out the day to day administration of the Civil Service Pension Schemes under contract with Cabinet Office.

The scheme administrator will act as project manager to prepare the new employer for participation and day to day activities in the Civil Service Pension Schemes.

What pension schemes does New Fair Deal cover?

The Pension Scheme arrangements cover

1. Principal Civil Service Pension Scheme (Classic, Classic Plus, Premium and Nuvos)[[1]](#footnote-1)
2. Public Service (Civil Servants & Others) Pensions Regulations 2014 (Alpha)
3. Civil Service Additional Voluntary Contribution Arrangements (CSAVC)
4. Partnership Pension Account
5. Partnership Pension Account Death Benefit Arrangements (part of 2)
6. Partnership Pension Account Ill Health Benefit Arrangements (part of 2)

The Pension Scheme arrangements do **not** cover:

Civil Service Compensation Scheme (CSCS), or

Civil Service Injury Benefits Scheme (CSIBS)

Pension Schemes eligibility and participation

**Initial transfers (1st generation transfers)**

These are staff that are compulsorily transferred from a civil service employer to an independent provider of public services for the first time. The staff will be delivering the same services under contract.

It is likely that staff will be in, or eligible to take part in the Civil Service Pension Schemes and therefore eligible to have continued access.

**Retender and other situations (2nd generation transfers)**

These are staff that were compulsorily transferred out to an independent provider between June 1999 and October 2013. An event, such as a renewal of a contract, will trigger New Fair Deal.

In order to re-join the Civil Service pension schemes the contracting authority’s former employees must fulfil all the eligibility criteria below:

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 for more than 50% of their contracted time on the transferred services,
4. remain in/or eligible to be in a broadly comparable pension scheme, and
5. have not otherwise lost eligibility (for example, giving up membership of the broadly comparable scheme for some other reward)

Eligible staff who are re-joining the pension schemes will have the option of transferring the service/pension benefits they built up in the broadly comparable pension scheme into the Civil Service pension scheme. The Contracting Authority will be responsible for commissioning the Government Actuary’s Department (GAD) to carry out this work and to fund any shortfall payable to the Civil Service pension schemes. (see section on Bulk Transfers).

Re-tendering and other 2nd generation situations are complex. Legal and actuarial advice must be taken well in advance.

**Subsequent transfers**

These are compulsory staff transfers following a previous 1st or 2nd generation transfer.

These cases will be treated in the same way as 1st generation transfers. The contracting authority must make the position clear in the application form.

The admission process

Having established that New Fair Deal applies, please complete the application form and return it to pcspsadmissions@cabinetoffice.gov.uk.

We will review your application and send a copy to the scheme administrator who will contact you, in your role as the contracting authority, the new employer and Cabinet Office to start the on-boarding project.

We will send you a draft Admission Agreement. This document sets out the obligations under the terms of the Admission Agreement and you must read the document carefully and provide the necessary information.

You must pass a copy of the Admission Agreement to the new employer. Either party will wish to seek legal advice so you must take account of the length of time to do this.

The Cabinet Office currently accepts electronic signatures. When the Admission Agreement is ready for signing, you will arrange the signatories at the Contracting Authority and the new employer to add their electronic signatures to the Agreement. The signatories must also supply an authorisation email to confirm they have signed or allowed their signature to be used. Without this confirmation the signature will not be accepted.

The on-boarding project will continue past the staff transfer date to make sure that the data passed from the new employer to the scheme administrator is correctly formatted.

[This process map](https://www.civilservicepensionscheme.org.uk/media/ciafgery/new-fair-deal-admissions-process-maps-pre-go-live.pdf) outlines the actions the relevant parties must take **before** the staff transfer date.

[This process map](https://www.civilservicepensionscheme.org.uk/media/lpwpk3qj/new-fair-deal-admissions-process-maps-post-go-live.pdf) outlines the actions the relevant parties must take **after** the staff transfer date.

Non – standard situations

In most cases the draft Admission Agreement will be a standard template. However, there are circumstances where the standard Agreement is not suitable and we will draft a bespoke document.

A list of non-standard situations is shown below but is not exhaustive. If you think you need a bespoke Admission Agreement please contact pcspsadmissions@cabinetoffice.gov.uk as soon as possible.

* Transfer of a function
* Transfer to a sub-contractor where the contract is between the contracting authority and a prime contractor
* The commissioning body is not able to act as the contracting authority
* Services performed by one contractor for a number of contracting authorities (framework agreement)
* Transfers involving more than one of the situations shown above

Bulk Transfers (2nd generation transfers only)

A 2nd generation staff transfer occurs when former public service staff with pension protection move from the private sector broadly comparable pension scheme back to the Civil Service Pension Scheme.

As part of the transfer, staff are offered the option to bulk transfer in the pension accrued while members of employer’s broadly comparable pension scheme. As the Contracting Authority you must also engage the Government Actuary’s Department (GAD) when applying for admission to the Civil Service Pension Scheme in these cases.

As part of the bulk transfer exercise, GAD will calculate the service and pension credits to be offered in the Civil Service Pension Scheme to members who choose to transfer their broadly comparable pension scheme benefits. This is calculated on a day for day basis or the actuarial equivalent.

GAD will also calculate the amount which the Civil Service Pension Scheme needs for the pension members who choose to transfer in their benefits.

**In some cases, the bulk transfer amount may be less than the funding requirement in which case, there will be a funding shortfall.**

As set out in Fair Deal policy the Contracting Authority is required to pay any funding shortfall unless it has contractual protections that can be enforced. The Civil Service Pension Scheme requires that the funding requirement is met in full.

GAD’s aim is that the bulk transfer exercise should be completed within 12 months (maximum) of the date of staff transfer. This means there must be a good level of engagement from all the parties involved including the Contracting Authority, the previous employer and actuary to the broadly comparable pension scheme.

The steps to be completed and the timing to meet the 12 month target can be found [here](https://www.gov.uk/guidance/staff-transfers-from-private-to-public-service-pension-schemes).

Setting up

Any new employer joining the Pension Schemes will have to meet all costs involved.

These include:

**On-boarding fee payable to the Scheme Administrator**

The Scheme Administrator will inform you of the on-boarding costs for this transfer. For details of the charges you should email [admissions@mycsp.co.uk](mailto:admissions@mycsp.co.uk)

**Pension contributions and other charges**

These are set out in the Admission Agreement and, where appropriate, clarified on the scheme website.

Employer contribution rates (Accruing Superannuation Liability Charges):

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

Employee contribution rates:

<http://www.civilservicepensionscheme.org.uk/members/contribution-rates>

|  |
| --- |
| The Cabinet Office cannot accept any pension contributions until an Admission Agreement is in place. |

**Setting up a payroll interface**

The new employer must have a working payroll interface in place before, or as soon as possible, after the staff transfer. The new employer is required to pass accurate member data to the scheme administrator on a monthly basis.

**Payroll data**

It is important that, alongside salary information, the new employer captures the information they will need to make the right pension deductions, at the right time.

**Historic member information**

When employees move between employers covered by Civil Service Pensions, their employment history should move with them. As the responsibility for holding and maintaining this information lies with the member’s current employer, the new employer may be asked to validate and confirm pension records held on the pension administration system. The new employer should make sure that full personal data and employment details are obtained for each employee as part of the handover process for employees moving between employers.

**As Contracting Authority**, **you are required to facilitate this process between the former and new employers. You will retain responsibility for passing on information to the scheme administrator regarding legacy pension records, including those transferred in from other government departments.**

**HR staff**

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

**Mandatory Online Training**

All new employers are required to complete Employer Administration Guidance. The Employer Administration Guidance (EAG) is a free, online e-learning tool for participating Civil Service Pensions employers. Completion is an annual mandatory requirement for participating Civil Service Pensions employers. Further information is outlined in [EPN 714](https://www.civilservicepensionscheme.org.uk/employers/employer-pension-notices/epn714-employer-administration-guidance-updated-modules-for-202425/).

Communicating with staff

The new employer is expected to write to their new staff on transfer but they must also 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 provide:

* easy access to member information such as the scheme website and scheme publications
* access to the scheme administrator’s contact centre details

Occasionally, important notices are sent to employers from Cabinet Office or the scheme administrator. The new employer must ensure;

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

Cabinet Office also runs Regional Employer Forums (REFs) twice a year. All new employers are expected to attend at least one session each year. REFs provide employers with important information relevant to the operation of the pension schemes.

Reporting to Cabinet Office

At the end of each scheme year (1 April -31 March), all employers must give Cabinet Office information about how they have managed their responsibilities as set out in the Admission Agreement. This is done via an Annual Assurance Statement.

**The Annual Assurance Statement**

The new employer is responsible for completing and signing a declaration, which must be submitted to Cabinet Office to meet the deadline for publishing our Accounts. It confirms that the employer has met its responsibilities as laid out in the Admission Agreement or that there are steps in place to take remedial action if there are any compliance issues.

**Eligible Employee Exercise**

Annually, at the start of the scheme year, the new employer will be asked to provide an update on the employees who remain eligible to participate in the Civil Service Pension Schemes. This information is required so the Cabinet Office can monitor the number of people remaining in the scheme under an Admission Agreement and if none remain, carry out the automatic termination process.

Sources of help and support

**Admission Process**

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

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)

If you have any queries about the content of this guidance, please contact Cabinet Office at 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 new employer must be able to access this on the Scheme website. It is updated by Employer Pension Notices. The employer will need to give Cabinet Office the correct distribution contact details 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.

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

**Employer queries**

If the employer cannot find the answer to a query in the Employers’ Pension Guide on the scheme website, or in an Employer Pension Notice, they should contact the scheme administrator. Their contact details are on the website under ‘contact us’.

**Please return the completed form to:** [**PCSPSadmissions@cabinetoffice.gov.uk**](mailto:PCSPSadmissions@cabinetoffice.gov.uk)

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

Application Form

*Application for admission to the pension schemes under New Fair Deal.*

**TO BE COMPLETED BY THE DEPARTMENT ACTING AS CONTRACTING AUTHORITY**

|  |
| --- |
| Contracting Authority Contact Details (Department)  Day to day contact name:  Telephone number:  Email address: |
| Contracting Authority Details (Department)  **(THE INFORMATION YOU PROVIDE WILL BE USED IN THE ADMISSION AGREEMENT)**  Department/Contracting Authority:  Contracting Authority address: |
| Please confirm the staff’s current employer and if staff are members, or eligible to be members, of the Civil Service Pension scheme:  *Staff may be employed by more than one employer, please provide the details of each employer.* |
| **ACTION TO TAKE IF STAFF ARE CURRENTLY IN A BROADLY COMPARABLE PENSION SCHEME (SEE PAGE 5):**   1. You must contact Government Actuary’s Department (GAD) to start the bulk transfer process, see page 5.   email: [stafftransfers@gad.gov.uk](mailto:stafftransfers@gad.gov.uk)  Please indicate that you have acknowledged this requirement:  2. As a result of the bulk transfer there may be a funding shortfall that the Contracting Authority will be responsible for paying.  Please arrange for the appropriate person to read the guidance on page 5 and sign below to confirm this is understood and accepted    Signature:  Print Name & Position: |

|  |
| --- |
| New Employer Details  **(THE INFORMATION YOU PROVIDE WILL BE USED IN THE ADMISSION AGREEMENT)**  Full legal name of the new employer:  Company number:  Company Address: |
| New Employer Contact Details  Day to day contact name:  Telephone number:  Email address: |
| New Employer Payroll Provider Details  Name of Payroll Provider:  Email address:  Address: |
| Number of staff transferring who are eligible to remain in or return to the Civil Service Pension scheme:    *If there are any members of Partnership or CSAVC please inform the new employer that they will need to sign a deed of participation with Legal & General.*  *Please see the website for further information:*  [*https://www.civilservicepensionscheme.org.uk/employers/employers-responsibilities/defined-contributions/*](https://www.civilservicepensionscheme.org.uk/employers/employers-responsibilities/defined-contributions/) |
| Date of transfer/date the new employer is to be admitted:  *Please add details of any additional transfer dates* |
| Brief Description in a couple of sentences regarding the function/remit of the services being transferred to the employer:      *This information will be published under Schedule 9, 3(6)(b) of the Public Service Pensions Act 2013. No abbreviations please.* |
| Signed:                                                                                                  Date:   Print Name and Position:    **(On behalf of the Contracting Authority)** |

1. PCSPS is closed to accruals in respect of future service, however may still be relevant for the transfer in of past pensionable service. [↑](#footnote-ref-1)