

Applying to join the Civil Service Pension Scheme under New Fair Deal

Application Guidance

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



Contents

Introduction	4
Roles	5
Contracting Authority	5
The New Employer	5
Cabinet Office	5
Scheme Administrator (MyCSP)	5
What pension schemes does New Fair Deal cover?	6
Pension schemes eligibility and participation	7
Initial transfers (1st generation transfers)	7
Retender and other situations (2nd generation transfers)	7
Subsequent transfers	8
The admission process	9
Non Standard Situations	10
Setting up	11
On-boarding fee payable to the Scheme Administrator	11
Pension contributions and other charges	11
Setting up a payroll interface	11
Payroll data	11
Historic member information	12
HR staff	12
Communicating with staff	13
Reporting to Cabinet Office	14
The Annual Assurance Statement	14
Assurance Report	14

Sources of help and support	15
Admission Process	15
The Employers' Pension Guide (EPG)	
Employer Pensions Notices (EPNs) and Employer Memos (MEMs)	15
Employer queries	16
Application for admission of an independent employer to the pension scheme under New Fair Deal	17

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.

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.



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

The Civil Service Pensions Board (CSPB) is responsible for the management of the Civil Service Pension Schemes. Cabinet Office is the scheme's manager and carries out the day to day management. Cabinet Office runs 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 in the Civil Service Pension Scheme.

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)
2. Public Service (Civil Servants & Others) Pensions Regulations 2014 (Alpha)
3. Civil Service Additional Voluntary Contribution Scheme (CSAVCS)
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.

Pension Schemes eligibility and participation

Initial transfers (1st generation transfers)

These are staff that are compulsorily transferred from a civil service employer into the private sector for the first time. The staff will be delivering the same services under contract but employed by an independent provider.

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 under Old Fair Deal. An event, such as a renewal of a contract, has triggered New Fair Deal.

In order to re-join the Civil Service pension schemes the contracting authority's former employees must fulfil 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.

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 back into the Civil Service Pension Scheme. The Contracting Authority will be responsible for commissioning Government Actuary's Department to carry out this work and to fund any shortfall payable to the Civil Service Pension Schemes.

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 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.

* Only Eligible Employees on a 1st generation transfer will continue in Classic Plus. Eligible employees formerly in Classic Plus and re-joining the Principal Civil Service Pension Scheme rather than Alpha will join Premium.



The admission process

Having established the New Fair Deal applies, 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 a copy to the scheme administrator who will contact you 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 Admission Agreement carefully and provide the necessary information.

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

When the Admission Agreement is ready for signing, you must make a copy for each party. All copies need to be signed and dated with original signatures before sending the documents to Cabinet Office, for signature, in advance of the staff transfer date.

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

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 Cabinet Office 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
- Transfers on more than one date
- Services performed by one contractor for a number of contracting authorities (framework agreement)
- Transfers involving more than one of the situations shown above.



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

The Scheme will inform you of the on-boarding costs for this transfer. For details of the charges you should visit our website www.civilservicepensionscheme.org.uk

Pension contributions and other charges

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



The new employer must not deduct contributions from employees until Cabinet Office confirms that there is an Admission Agreement in place.

Setting up a payroll interface

The new employer must have a working payroll interface in place, as soon as possible, after the staff transfer. The new employer is required to pass accurate member data to the scheme administrator on a regular 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 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 will deal with the technical aspects of pensions, HR staff must understand the impact that their decisions and actions have on pensions.

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.

The scheme 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 the 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. The employer will also need to update their list of pension scheme members.

Assurance Report

From time to time, the employer's relationship manager will ask a series of questions as part of their regular review. This information is needed by Cabinet Office to ensure there are no compliance issues but it also gives the employer an opportunity to report any problems.

Sources of help and support

Admission Process

Website: www.civilservicepensionscheme.org.uk

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

If you have any queries about the content of this guidance, please contact Cabinet Office on 01256 846133 or email: 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

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. The scheme's contact details are on the website under 'contact us'.

Please return the completed form to:

PCSPSadmissions@cabinetoffice.gov.uk

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



Civil Service Pensions

Application for admission of an independent employer to the pension schemes under New Fair Deal

Part one

To be completed by the department/authority acting as the contracting authority
(see part two below)

Name

Department

Postal address

Postcode

Telephone number

Email address

Full legal name of the new employer to be admitted and Company number.

Brief Description of 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

From what organisation are the staff being transferred?

If this is not a Government Department or other Civil Service employer currently participating in the Civil Service Pension Schemes please explain when staff originally transferred out of public service and from where?

In cases where staff were compulsorily transferred to an independent provider and will be re-joining the Civil Service Pension Schemes, eligible employees (see pages 7 and 8) will have the option of transferring pension benefits built up in their broadly comparable pension scheme back into the Civil Service Pension Scheme.

You must contact Government Actuary's Department (GAD) and provide the necessary information to start this process (email: stafftransfers@gad.gov.uk)

Please indicate that you have acknowledged this requirement

Part two

Please answer the following questions.

Details of body

1. **Number of staff transferring to or remaining with the employer**

2. **Please give name, address and contact details of the new employer's payroll provider**

3. **Please confirm the contracting authority and former employer have arrangements in place to transfer member details and their pension information to the new employer. (See "Setting up" on page 11)**

4. **Please state the date the new employer is to be admitted**

5. **Contact details of the new employer you wish to be admitted.**

Name

Postal address

Postcode

Telephone number

Email

6. Signature
(On behalf of the
Contracting Authority)

Date

(On behalf of the Contracting Authority)

