JSS Pensions Administration

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Information for members

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Civil Service Compensation Scheme Reform

What Do I Need To Know

The Government has published its response to the consultation on the reform of the Civil Service Compensation scheme (CSCS) and has made a formal offer to the Trade Unions.
The proposed reforms are to align the Civil Service Compensation Scheme with wider compensation reforms across the public sector.

The key features of the offer on the Civil Service Compensation terms are:

- The standard tariff for calculating exit payments to be three weeks' per year of service
- Voluntary Exit capped at 18 months' salary
- Voluntary Redundancy capped at 18 months
- Compulsory Redundancy capped at 9 months
- To maintain flexibility in Voluntary Exit terms to offer between statutory terms and the standard tariff
- To allow employer-funded top-up to pension from age 55 and for this to track 10 years behind state pension age
- To offer a partial buy-out option for employees above minimum pension age where the cash-value of the exit payment is insufficient to fully buy out the actuarial reduction
- Compulsory Redundancy notice periods to be 3 months for new starters only
- To protect the lower paid, the minimum salary used for calculating exit payments (the 'lower paid underpin') will increase to £24,500.

As part of the offer, the Government is also seeking agreement to:

- Reform inefficiency compensation - aligning the tariff with Voluntary Redundancy terms, ensuring its use is only related to cases of underlying ill health and amending the management code and associated guidance
- A revised 2016 Protocol for Civil Service Redundancy Principles to enable a more efficient exit process.

If the Government cannot secure agreement to these reforms from a sufficient number of unions it will implement an alternative package with less favourable terms as below:

- The standard tariff for calculating exit payments to be three weeks' per year of service
- Voluntary Exit capped at 15 months' salary
- Voluntary Redundancy capped at 15 months
- Compulsory Redundancy capped at 9 months
- To maintain flexibility in Voluntary Exit terms to offer between statutory terms and the standard tariff
- To allow employer-funded top-up to pension from age 55 and for this to track 10 years behind state pension age

- Compulsory notice periods to be reduced to 3 months for new starters
- Inefficiency Compensation tariffs reformed to align with Compulsory Redundancy terms
- To replace the current 2008 and 2014 Protocols with a set of central redundancy principles to be operated by departments to support a more efficient process.

The Trade Unions now have until 31 October 2016 to respond to the offer and Government will look to implement the changes in early November 2016