

Information for members of the Research Councils Pension Scheme

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Civil Service Compensation scheme agreed

What Do I Need To Know

The Government made an offer to trade unions on 26 September about reforms to the Civil Service Compensation Scheme. The Minister for the Cabinet Office has now considered the unions' responses to this offer and has concluded that the offer has been accepted by a sufficient number of unions to constitute an agreement.

Today the Minister for the Cabinet Office laid regulations before Parliament and made a Written Ministerial Statement. The new CSCS terms reflect the offer made to the unions on 26 September and will come into effect tomorrow, 9 November.

The reforms align the Civil Service Compensation Scheme with wider compensation reforms across the public sector and will support employers in managing their workforce and simplify the exit process.

The reforms are consistent with the [Civil Service Workforce Plan](#). That means being able to recruit and retain the best people, but it also means ensuring that there is an effective, cost-efficient system in place to support civil servants when exits are needed, while always treating employees with fairness and respect.

Key features of the changes

The key reforms to the Civil Service Compensation Scheme 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; and
- to protect the lower paid, the minimum salary used for calculating exit payments (the 'lower paid underpin') will increase to £24,500.

Alongside these reforms the Government is also:

- reforming 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; and
- issuing a revised 2016 Protocol for Civil Service Redundancy Principles to enable a more efficient exit process.

FAQs

1. Which trade unions agreed to the reforms?

- Eight unions agreed to the reforms. These were FDA, Prospect, GMB, UNISON, Unite, the Defence Police Federation, NCOA and PGA.
- PCS and POA did not respond within the deadline set.

2. Were trade unions consulted on the reforms?

- Yes. The Government consulted with a view to reaching agreement with all Civil Service trade unions and held a series of meetings with the National Trade Union Council (NTUC) during the consultation period.
- We also invited all unions who provided a substantive response to the consultation to take part in a series of further discussions focused around a basic structure. These constructive discussions shaped the basis of the Government's current offer.

3. Why are you changing the Compensation terms for Civil Servants agreed in 2010?

- The current scheme has been in place for almost six years and is not fully delivering against its aims of increased flexibility and cost-efficiency. The Government feels the time is right to reform and update this scheme which is designed to provide a good level of financial support to exiting staff as they move into new employment or into retirement.

4. How do these new terms compare with other similar schemes?

- The new terms represent a good deal for civil servants and compare very favourably with exit terms in the wider economy;
- The reforms are in line with the wider compensation scheme reforms across the public sector but also reflect constructive discussion with those unions who agreed to participate, resulting in improved terms in certain areas; and
- The Government believes the 2016 scheme strikes the right balance in achieving the savings we require while reflecting the nature of the Civil Service workforce and the benefits of reaching a negotiated settlement.

5. When will the new terms take effect?

- An amendment scheme is being laid before Parliament today, 8 November and the new terms will take effect from tomorrow, 9 November.

6. I'm currently going through redundancy - will the new terms apply to me?

- The new terms will take effect from tomorrow, 9 November.
- Staff who formally agreed to an exit before the new terms take effect, and who leave before the end of 2016 (or where explicit agreement has been given by Cabinet Office) will exit under the previous 2010 terms. Otherwise staff will exit under the 2016 terms

7. What is 'inefficiency compensation' and what are the changes being proposed?

- The Civil Service retains an ability to compensate staff who are dismissed where this is in the mutual interest of both the employer and the employee. This type of dismissal is currently referred to being on the grounds of "inefficiency".
- The Government will revise the inefficiency compensation tariff to align with Voluntary Redundancy terms as part of a package of reforms which limits its use to cases of underlying ill health and includes amending the management code and guidance.

8. What are the changes to the Cabinet Office Protocol and the exit process?

- The Cabinet Office Protocol is a document that sets out the actions that should be followed when civil servants are at risk of redundancy. The Cabinet Office have been in detailed and constructive discussions with a selection of trade unions and have made the unions an offer on a revised Protocol. These changes support the Government's overall intention to deliver a more efficient and streamlined exits process.
- Departments are expected to implement the 2016 Protocol as soon as possible.