



## **DEFENCE POLICE FEDERATION**

Established by Act of Parliament

**To All Members**

**9<sup>th</sup> November 2016**

**Circular 68/16**

### **Civil Service Compensation Scheme (CSCS) Reform Update**

You will recall that DPF Circular 61/16 published on 3<sup>rd</sup> October 2016 sought to inform you of the Government's final offer for the proposed changes to the Civil Service Compensation Scheme (CSCS) and that the DPF National Executive Committee (NEC) had reluctantly decided to accept the final offer.

We have now been informed by the Cabinet Office that the Minister has concluded sufficient Trade Unions have accepted the final offer regarding the Civil Service Compensation Scheme reforms to constitute an agreement and that they would proceed accordingly.

The Minister laid the revised scheme before parliament yesterday, 8<sup>th</sup> November 2016 with the new CSCS terms taking effect today.

The key elements of the new CSCS terms taking effect today are:-

- The standard tariff to be 3 weeks' per year of service.
- Voluntary Exit capped at 18 months' salary;
- Voluntary Redundancy capped at 18 months' salary;
- Compulsory Redundancy capped at 9 months' salary
- 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 minimum age 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, or where the full exit payment is otherwise affected by restrictions in legislation (e.g. the introduction of the £95,000 exit cap);

- Compulsory Redundancy notice periods to be set at three months for new starters;
- Increase the lower paid underpin to £24,500 (from current £23,000);
- The Inefficiency Compensation tariff to be reformed to align with Voluntary Redundancy terms (i.e. a maximum of 18 months' salary); and
- A revised Protocol for avoiding Redundancies.

It is disappointing that the Government decided to review the CSCS only 6 years after the scheme was last reformed. However it is the belief of the DPF and Trade Union officials who took part in the protracted negotiations throughout the summer that the new terms outlined above are the best that could realistically have been achieved.

**Paul Hunter**  
**DPF Pension Sub-Committee Chairman**