



Employer Pensions Notice

EPN 251

Civil Service Compensation Scheme (CSCS)

CER payments to people aged 57 to 60

Audience This Notice will be of particular interest to:

- Those concerned with awards for people departing on CER terms

Action Settle grievances raised by those who have left on CER terms aged between 57 and 60 and whose lump sum compensation has been reduced by the tapering provisions of the CSCS.

Timing Immediate

1. Certain aspects of the Civil Service Compensation Scheme (CSCS) provisions were challenged in the Employment Tribunal in 2008 (in the case of Mr J M Wallis and Others v The Cabinet Office and Others) where Mr Wallis succeeded in his claim that the tapering, for those aged 57 to 60, of the lump sum element of the Compulsory Early Retirement (CER) terms was not objectively justified.
2. Employers will be aware that the CSCS terms have been under review for some time with the objective of developing reformed terms better suited to today's Civil Service. While we anticipate that the new terms will take full account of the *Wallis* judgment we are not yet in a position to give details of those new terms or their effective date. In the meantime, grievances are being raised by some individuals who are aware of the *Wallis* judgment and wish to secure their position.
3. In anticipation of changes to the CSCS terms, employers are now instructed to settle grievances lodged by those who have already departed and which cover the tapering of the lump sum element of CER terms. In other words, people who have departed on CER terms aged between 57 and 60 and who have raised a grievance should receive a top-up payment so that they have the full lump sum



payment of six months' pensionable pay. Employers will need to liaise with their APAC to determine the top-up amount to be paid. Given that payments are calculated according to this set formula, the Treasury does not consider such payments to be novel and contentious or subject to the special severance payment procedures. Treasury approval is therefore no longer required for such payments.

4. You should note that this instruction does **not** apply to tapered lump sum payments made on Compulsory Early Severance or Flexible Early Severance terms (where we continue to argue that the tapering is justified) or to redundancy payments made to people over pension age. You should also not settle grievances in relation to departures at a date in the future (when the rules of the CSCS could be different), or pay untapered lump sums where no grievance has been lodged.

Contacts Enquiries about content, distribution or to receive in a different format

employerhelpdesk@cabinet-office.x.gsi.gov.uk

01256 846414

**Employer Helpdesk, Civil Service Pensions, Grosvenor House, Basing View,
Basingstoke, RG21 4HG**

You can find electronic copies of the EPG, all current EPNs and forms on our website www.civilservice.gov.uk/pensions in the Guidance for employers section.

If this notice is to be circulated to members, then please remove contact details as the helpdesk is for employers only. Members should be directed to your pensions administrator if they have any queries.