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Civil Service Pensions

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**EMPLOYER PENSION NOTICE**

**EPN 12/2020**

**From: Civil Service Pensions**

**Date: 14 May 2020**

**To: All Employers**

**RE: COVID-19: RE-EMPLOYMENT OF RETIRED STAFF OR INCREASING HOURS FOR PARTIALLY RETIRED STAFF - ABATEMENT ISSUE**

**Purpose:** The purpose of this EPN is to advise employers of the process for applying for approval to have any abatement of pension dis-applied in cases where, as a contingency measure due to the Covid-19 pandemic, retired staff are re-employed or working hours are increased for partially retired staff.

**Timing:** Immediate

**Action:** Employers should:

* urgently note the information contained in this Employer Pension Notice;
* consider whether the Covid-19 contingency measures outlined above will need to be applied in your business area;
* ensure Permanent Secretary or Chief Executive authorise the template(s) attached at **Annex A** and/or **Annex B** to seek Civil Service Pensions’ approval to dis-apply abatement where applicable;
* ensure that appropriate managers, HR and/or payroll staff receive a copy of this Employer Pension Notice; and
* ensure that HR and/or payroll staff implement the normal re-employment or change in working pattern processes to ensure the changes to service and pay are interfaced as normal to Civil Service Pensions.

**Background**

1. The Principal Civil Service Pension Scheme (NI) in common with many other public service pension schemes, operates a policy of abatement. Abatement is applied where a retired member’s pension and re-employed earnings exceed the salary of reference when the retired or partially retired member recommences employment. This means such pension, already in payment to a retired or partially-retired civil servant, may be suspended fully or in part, if an individual is re-employed or increases their working hours in the Northern Ireland Civil Service or by an employer covered by this Scheme. Abatement is not a feature of the alpha pension scheme but many staff will have some benefits still in classic so if in doubt it is best to apply for approval to enable Civil Service Pensions to check.
2. Civil Service Pensions is aware that employers may need to consider the re-employment of retired staff or increasing working hours for staff who have partially retired due to the particular skills they have in order to continue to provide essential services during the current Covid-19 crisis. In fact, we are aware that some employers have already asked partially retired staff to work full-time. Such action in normal circumstances could result in abatement being applied to the pensions in payment to these staff.

**Discretion to Dis-apply Abatement**

1. Exceptions can be made in circumstances such as the Covid-19 National Emergency, which we are now facing, where abatement can be dis-applied and it is accepted that employers may need to increase the hours of partially retired staff or bring back staff who have retired to meet critical business need.
2. Employers have expressed concern that the current rules on abatement may prevent former members of the Northern Ireland Civil Service or another employer covered by the Principal Civil Service Scheme (NI) from returning to duty during these exceptional circumstances or prevent those who have partially retired increasing their working hours. Under the rules of this Scheme, Civil Service Pensions has discretion to decide not to suspend or reduce a pension if it considers there are special circumstances justifying exceptional treatment. This means that Civil Service Pensions may not apply pension abatement to the re-employment of retired civil servants or to those partially retired who increase their working hours if their employment is vital to the Government’s efforts to tackle a national emergency.
3. It is important to note that staff who have been medically retired or are in receipt of a permanent injury award through the Civil Service Injury Benefit Scheme **must not** be re-employed under these circumstances.
4. At this time, any dis-application of abatement will be strictly limited to staffing measures introduced as a direct result of the Covid-19 pandemic. This is a temporary measure to be considered over a **3 month period,** however a further request to extend the period if the circumstances of the case are unchanged may be considered.

1. It should also be noted these are exceptional cases and all other re-employments will continue to be subject to abatement rules and should be notified to Civil Service Pensions as normal.

**How to Apply – What the Employer must do.**

1. Employers can apply to the Director of Pensions Division, Grace Nesbitt, who holds authority for the Department of Finance to exercise discretion around the suspension or reduction (abatement) of a pension in exceptional circumstances. It is also accepted that some applications may have to be considered retrospectively as employers may have be unaware of these processes. It is anticipated that this provision will be used as an exception when all other options have been explored.

1. The application(s) at **Annex A** and/or **Annex B** must be authorised at Permanent Secretary / Chief Executive (for organisations outside the NICS or agencies) and sent to PensionsPolicyCSP@finance-ni.gov.uk .
2. Decisions will be notified to employers as a matter of urgency, and normally within 5 working days of receipt. The employer will then need to take steps to advise the staff member of the outcome of the decision.
3. The following are indicative parameters which could be used to justify why re-employment of retired pensioners or increased working patterns for partially retired staff are considered vital to the running of Government during the current Covid-19 crisis.
	* the nature of the work is such that it is likely to require specialised skills or be within specialist discipline requirements;
	* as such, it would not be feasible to train other staff, including any surplus staff from elsewhere in the NICS or your organisation – for example a lengthy training period for admin staff such as complicated procedural work, or a narrow specialist discipline;
	* significant increase in work – evidence of pressure on a public facing service or internal pressure on a corporate service to deliver and/or support a public facing service and again it is not viable to utilise surplus staff from elsewhere.
4. It is important that Employers notify Civil Service Pensions of when the Covid-19 specific period of employment term ends for each individual or seek an extension after the 3 month period, if necessary.
5. Employers must follow the normal HR / payroll procedures for re-employment and changes to conditioned working hours to ensure any additional accrued service and pay are recorded for both pay and pension purposes.

**Conclusion: Summary of action**

1. Employers should:
* urgently note the information contained in this Employer Pension Notice;
* consider whether the Covid-19 contingency measures outlined above will need to be applied in your business area;
* ensure that the template(s) attached at **Annex A** and **Annex B** are completed and authorised as set out in this notice to seek Civil Service Pensions’ approval to dis-apply abatement where applicable;
* ensure that appropriate managers, HR and/or payroll staff receive a copy of this Employer Pension Notice; and;
* ensure that HR and/or payroll staff implement the normal re-employment or change in working pattern processes to ensure the changes to service and pay are interfaced as normal to Civil Service Pensions.
1. A further Employer Pension Notice may follow as these contingency measures are implemented.

**Point of Contact**

1. If you have any queries regarding the contents of this Employer Pension Notice please contact Margaret Coyle by email: Margaret.coyle@finance-ni.gov.uk or by telephone on 02871 321202 (Ext 87202)

Yours sincerely



Margaret Coyle

**Civil Service Pensions Policy, Legislation and Communications**

**Annex A**

 **URGENT - COVID-19**

**APPLICATION TO DIS-APPLY ABATEMENT – STAFF BEING RE-EMPLOYED**

| **From** ( full name in Capitals) | **Grade** | **Department/ Organisation** | **Electronic signature (P/S, CEO)** | **Date of Application** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| Name(s) | Payroll Number(s) | DateRe-employed | Date these arrangements are expected to end | **Justification** as to why these measures are specifically required in response to the Covid-19 crisis - A short Business Case should be included here or attached separately if additional space is required - **EPN 12/2020** refers. |
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By submitting this application to **PensionsPolicyCSP@finance-ni.gov.uk** the person named above declares that;

* None of the staff listed above have been medically retired or are in receipt of a permanent injury award through the Civil Service Injury Benefit Scheme (Northern Ireland) – note this only applies to staff who are being re-employed – not to those who are currently employed;
* They will notify Civil Service Pensions when the Covid-19 related employment terms end for each individual and understand that the use of the discretionary powers to dis-apply abatement for such employments will cease as soon as the national emergency is over and staffing levels return to normal or the 3 month period is exhausted and a request for an extension is appropriate.

| ***For CSP(NI) Use : Policy & Legislation Team*** | Application to Dis-Apply Abatement Approved or Rejected by Director of Pensions Division |  | ***For CSP(NI) Use :*** ***Operations Team*** | Actions Required | Date Actioned | Actioned By (Initials) |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |
| Date of Decision |  |  |  |  |
| Date Decision Notified to Applicant |  |  |  |  |
| ***This template and associated e-mails must be saved in HPRM Container Number: FI1-19-57427*** |

**Annex B**

 **URGENT - COVID-19**

**APPLICATION TO DIS-APPLY ABATEMENT – PARTIALLY RETIRED STAFF INCREASING WORKING HOURS**

| **From** ( full name in Capitals) | **Grade** | **Department/ Organisation** | **Electronic signature (P/S, CEO)** | **Date of Application** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| Name(s) | Payroll Number(s) | Current Hours | Increased Hours | Effective From | Date these arrangements are expected to end | **Justification** as to why these measures are specifically required in response to the Covid-19 crisis - A short Business Case should be included here or attached separately if additional space is required - **EPN 12/2020** refers. |
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By submitting this application to **PensionsPolicyCSP@finance-ni.gov.uk** the person named above declares that;

* They will notify Civil Service Pensions when the Covid-19 related employment terms end for each individual and understand that the use of the discretionary powers to dis-apply abatement for such employments will cease as soon as the national emergency is over and staffing levels return to normal or the 3 month period is exhausted and a request for an extension is appropriate.

| ***For CSP(NI) Use : Policy & Legislation Team*** | Application to Dis-Apply Abatement Approved or Rejected by Director of Pensions Division |  | ***For CSP(NI) Use :*** ***Operations Team*** | Actions Required | Date Actioned | Actioned By (Initials) |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |
| Date of Decision |  |  |  |  |
| Date Decision Notified to Applicant |  |  |  |  |
| ***This template and associated e-mails must be saved in HPRM Container Number: FI1-19-57427*** |