



Forestry Commission

All Staff

Human Resources
Silvan House
231 Corstorphine Road
Edinburgh
EH12 7AT

Tel: 0131 334 0303
Fax: 0131 314 6277

Director Human Resources
Jean Lindsay

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Dear Colleague

Proposals to reform the Civil Service Compensation Scheme

In December, I wrote to tell you about Government proposals to reform the Civil Service Compensation Scheme. This is the scheme that sets the terms which Departments use when paying compensation to staff who are made compulsorily redundant or who volunteer for early retirement or early severance programmes.

When I wrote in December I updated you on the key changes that were being made, after consultation to the original proposal document 'Fairness for All'.

Since then there have been further discussions between the Government and the Central Civil Service Unions which have resulted in further amendments, to provide improved protection for the lowest paid and for those close to retirement. These amendments are highlighted below:

- a. The maximum redundancy payment cap, which provides protection to the lowest paid has risen from £50,000 to £60,000.
- b. Those individuals aged at least 50 as at 31 March 2010 and with a minimum of 5 years' current qualifying service will, if dismissed as compulsorily redundant, receive Compulsory Early Retirement terms based on reckonable service as at 31 March 2010. Cabinet Office prior approval will be required as these terms will only apply where Cabinet Office agrees that dismissal on compulsory terms is unavoidable.
- c. Those individuals who would be eligible for a "reserved right" payment if departing on Compulsory Early Severance (CES) terms on 31 March 2010, if subsequently dismissed as compulsorily redundant before the age of 50, will receive a payment based on the "reserved right" CES payment that would



have applied on departure on 31 March 2010. In such cases, which will also be subject to Cabinet Office prior approval, the cash value of these payments will be tapered as follows:

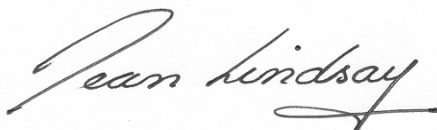
- Compulsory redundancy 1 April 2011 – 31 March 2012 : 100%
- Compulsory redundancy 1 April 2012 – 31 March 2013 : 80%
- Compulsory redundancy 1 April 2013 – 31 March 2014 : 60%
- Compulsory redundancy 1 April 2014 – 31 March 2015 : 40%

The implementation date of the changes is still 1 April 2010.

Whilst not subject to any CSCS rule changes, the government also intends to amend the terms around Civil Service mobility (within the Civil Service Management Code) to allow compulsory transfers of staff between Government Departments and Agencies, effective on 1 April 2010.

These changes have been agreed with FDA, Prospect, POA, GMB and Unite unions, however PCS has **not** agreed the revised terms.

Full details of the proposals can be found on the Civil Service Pensions website at: www.civilservice.gov.uk/my-civil-service/pensions



Jean Lindsay
Director HR

