

Branch briefing BB-15-26

To: Branch chairs, secretaries and workplace representatives

10 February 2026

Civil Service Pension Scheme Administration Crisis - Update

PCS and our sister unions attended another in a series of meetings with the Cabinet Office and Angela MacDonald (recovery working-party lead), looking to obtain a progress update on the crisis in the administration of the Civil Service Pension Scheme, and to press for a resolution to the backlogs and delays.

Executive summary

- **The backlog has grown by 34,000** since Capita took over the administration
- **Immediate hardship cases** have been reported, where members have not received their pension payments
- **The employer reports partial progress** on some high-priority case types but projects that the retirement backlog clearance will take until June
- **PCS continues to press** for revised priorities, protections for preserved pensions, scrutiny of bridging-loan means testing, and meaningful compensation for affected members.

Backlog and operational update

The reported backlog increased by **34,000** in just two months under Capita and is now estimated at **120,000 cases**.

MyCSP, the previous private sector contractor, left over 15,000 emails unopened.

Consequences of non-payment of pensions have caused hardship for some members, resulting in the decision to ask departments to initiate 'bridging loans'.

Voluntary Exit Scheme (VES): Capita are struggling to process VES cases; some departments cannot complete exits before the end of 2025/26; and VES quotations have faced delays.

Data transfer: The Cabinet Office says all the MyCSP data is now with Capita; but some reconciliation is required for members with two separate service stints.

Employer position and timelines

Short-term delivery: Two weeks into the working party's recovery plan, the employer says they are meeting targets for **retirements, ill-health retirements, partial retirements, and death-in-service** cases. They have advised us that their next target is VES quotations.

Clearance expectations are unchanged, and the employer still expects **ill-health and death-in-service** cases to be cleared by end of February 2026; but **retirement cases** (the largest backlog) is still not expected to be cleared until **June 2026**.

Union priorities and demands

Preserved pensions: PCS has called for preserved pension cases be added to the priority list, to prevent future growth of the backlog when members reach normal pension age.

VES de-prioritisation: PCS and our sister unions continue to argue that VES should **not** be an immediate priority while members are without pension income.

Transfers from arm's-length bodies: Unions proposed delaying scheduled transfers into the Civil Service Pension Scheme until the administration crisis is resolved. The Cabinet Office has declined, citing the fact that those scheme members had received prior notification.

Increased staffing: PCS continue to call for increased permanent staffing to handle the caseloads. Temporarily deploying 150 members of the Surge and Rapid Response Team, who have no pensions training, employed solely to categorise a backlog of over 15,000 unopened emails, will not resolve the issue in the long-term

Bridging loans: Employers were told bridging loans of **£5,000** would be provided on a **light-touch** basis without financial information. However, in **Department for Work and Pensions**, evidence indicates the employer has been effectively **means testing** applications.

The Cabinet Office has responded, confirming means testing was **not intended** and stating they will investigate. PCS has been given a Cabinet Office contact to report any further "maverick practices." The employer has added that applicants for the loan should receive payment in 5 working days, but it could take as long as 28 days.

Political and parliamentary activity

Early Day Motion: [An EDM has been tabled by John McDonnell MP](#) on the pension scheme administration crisis.

Parliamentary briefings: PCS hosted a drop-in for parliamentarians (3 February) ahead of [a Westminster Hall debate](#) (4 February) called for by Lorraine Beavers MP.

Questions raised: [Lord Bryn Davies asked a question](#) in the House of Lords (5 February).

Public Administration and Constitutional Affairs Committee: Catherine Little (Civil Service Chief Operating Officer) [appears before the committee on 10 February](#). Ahead of the inquiry, PCS has provided the committee with a detailed briefing.

Compensation and next steps

PCS position: We have continued to argue that the Cabinet Office should work with unions to develop a **genuine compensation scheme** for distress and hardship caused by administrative failures, not just to offer short-term repayable loans and backpay. Additionally, the scheme should include interest payments to compensate members for the late receipt of their pension.

Union actions: PCS will continue Cabinet Office and parliamentary engagement, to monitor the bridging-loan implementation, to press for changes in priorities, to seek firm timelines, and to seek compensation discussions with the employer.

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