

Branch Briefing BB-28-26

To: Branch Chairs, Secretaries and Workplace Representatives

26 March 2026

Civil Service Pensions Crisis Update

This briefing provides a concise update following our weekly meeting on 20th March with the Cabinet Office and the HMRC Second Permanent Secretary, Angela MacDonald, who is leading the recovery team for the pensions administration crisis.

Meeting overview

PCS and our sister unions met again with the Cabinet Office; along with the HMRC Second Permanent Secretary and recovery team leads; to discuss progress against the recovery plan, outstanding administration failures, compensation proposals, and the McCloud Remedy project.

Difficult phase in Recovery Plan

Angela MacDonald said that progress continues to be made following her statement on 12th March, particularly citing the reduction in call waiting times. She stressed that the Recovery Plan was now entering its most difficult phase as the size of the stockpile in applications to retire during the final months of 2025 and the first two months of 2026 is becoming clear. The volumes have added to the number of members who applied for their pension prior to 1st December and did not receive a pension quote, who will be asked to confirm their actual or intended retirement date. It is important to respond to these requests from Capita within two months or the cases will be closed.

Missed deadlines

The unions raised instances where commitments given about death-in-service cases and ill-health retirement cases which have been escalated to Capita had not been met. The Cabinet Office Team said that these are isolated cases and that in general the commitments made have been delivered. Outstanding cases in these areas should be notified to the PCS Pensions Team pensions@pcs.org.uk

Payment of interest

Communications had stated that interest will be payable on amounts due from 1 December 2025 rather than the pension payable date. The clarification is that it will be payable from the pension payable date in cases finalised by Capita but will not be paid in cases of late payment made by MyCSP prior to the transition.

Compensation for late payment

The Cabinet Office position was given on 17th March in reply to a Parliamentary Question from John McDonnell MP. The relevant part said,

“The existing statutory complaints process evaluates claims for financial losses, as well as distress and inconvenience caused, on a case-by-case basis to determine whether compensation is due. This ensures that any retiree who provides evidence of extra costs,

such as bank penalties or interest charges caused by the delay, is fairly assessed. This process is run in accordance with the standards set by The Pensions Ombudsman. The Cabinet Office is working with Capita to ensure this process is applied as efficiently as possible.”

PCS advice to members is that scheme members should submit a case for compensation, members should make sure they can provide evidence of the additional costs and a detailed description of the distress and inconvenience suffered. In the first instance, the evidence should be submitted using the Capita complaints process although Capita may request that form IDR1 is used. It is important that all evidence is retained for subsequent use in the formal Internal Dispute Resolution Process and, if required, for submission to the Ombudsman.

Whereby support is needed on either the Internal Dispute Resolution or submission to the Ombudsman, Retired members who have joined ARMs , can gain support through emailing the ARMS National Official, Diane Shepherd admin-arms@pcs.org.uk . Retiring members can join ARMs by emailing membership@pcs.org.uk

For further information on ARMS: <https://www.pcs.org.uk/who-we-are/pcs-arms>

Capita system capability

The promised track my case function is being launched with the increased functionality after the weekend of 28/29 March. Crucially this release is also intended to provide visibility of linked reckonable service and fix the denial of automated service suffered by scheme members who have worked for different employers. A chatbot is available via the Scheme website and we await feedback from users.

Annual Benefit Statement

The information is promised during the second week of April.

P60 and Newsletter

These will be available to members in receipt of pension also from the second week of April.

McCloud Remedy Project

Retired and partially retired members who received a Remedy Service Statement (RSS) from MyCSP during March and April 2025 should return it, if they haven't already done so, by post to:

Capita Pensions Solutions

PO Box 713

Darlington

DL1 9JZ

More than 75,000 pensioners in the scheme have yet to receive their RSS. Issuing these is due to be completed by the end of March 2027. We understand that the Cabinet Office and Capita are still negotiating the terms for this work which is referred to as Project 7.

Key issues and concerns

Communications: PCS will continue to issue regular Branch Briefings and web stories. Our job would be easier if Civil Service Pensions brought some order to its communications and refrained from announcing milestones and failing to reach them at the date originally indicated.

Compensation: The Ombudsman tariff for distress and inconvenience is overdue to be updated and PCS continues to press for a speedier, internal approach than the individual

complaints process the Cabinet Office proposes to rely on; which would require significant resourcing, given the expected volume of complaints, and given there is a seven-year queue for Pensions Ombudsman cases.

McCloud Remedy: The outstanding cases have now all been described as “complex cases.” This sounds very convenient, given the project is still at the earliest phase, the Cabinet Office haven’t started formal contract negotiations with Capita on the remedy, and the volumes alone mean that the current deadline of March 2027 will not be met. Classifying all the cases as “complex” sounds like another excuse for another missed deadline.

Next steps

Branches are asked to support members who are in the process of retiring and partially retiring and to raise their questions via pensions@pcs.org.uk PCS will continue to raise member’s issues and concerns arising from the ongoing crisis in the administration of the pension scheme. We will continue to brief MPs in the PCS Parliamentary Group; it is through that process that this matter continues to be raised in the House of Commons.

To note: The CEO of Capita is due to appear again before the Public Accounts Committee (PAC) on Thursday 26th March and, ahead of the appearance, members of the Parliamentary Group will be briefing members of the PAC.

Fran Heathcote
General Secretary

Martin Cavanagh
President



www.pcs.org.uk



[@pcs union](https://twitter.com/pcsunion)



[@PcsUnion](https://www.facebook.com/PcsUnion)