

## Branch Briefing BB-21-26

To: Branch Chairs, Secretaries and Workplace Representatives

03 March 2026

## Subject: Civil Service Pensions administration update

### Summary

PCS met with the Cabinet Office and its working party on **27 February 2026** to review progress against the recovery plan for the pension scheme administration. The employer reports that progress on urgent cases has missed some internal deadlines. Significant operational backlogs remain, and the June 2026 completion target is still being worked towards but is not guaranteed.

### Latest developments on priority cases

**Death-in-service cases:** The employer stated that by 27 February “Capita will have either settled or done everything currently possible” where those cases are concerned. Some payments have been made; but funds for certain cases may not reach members’ accounts until **week commencing 2 March**. Some settlements are awaiting further paperwork or decisions; and the employer has issued follow-up letters.

**Ill-health retirement cases:** The employer confirmed their stated deadline was missed; and payments are now expected by **6 March**, with some funds possibly appearing in accounts the following week.

**Employer assurance history:** Cat Little (Civil Service Chief Operating Officer) had previously told the Public Accounts Committee that death-in-service cases would be dealt with by **12 February** and ill-health retirement cases by **the end of February**; but those assurances have not been fully met.

### Operational metrics and outstanding work

**Call handling:** The working party reported **99%** of calls had been answered overall and **94%** answered within 30 seconds on one particular day. PCS noted that answering a call is not equivalent to resolving a case; and in any event, members are reporting lower service effectiveness. In any event, scheme members are still being told to call only for urgent matters.

**E-mail backlog:** Over **15,000 unopened emails** inherited from MyCSP/Equiniti, the previous contractor, were expected to be “opened and reviewed” by 27 February; but obviously this does not imply cases have actually been actioned.

**Retirement quotes:** Approximately **14,000** outstanding quotes remain. Unions have been told that for requests made **before 1 December 2025**, Capita will write to members by **10 April 2026**; then members will have **two months** to respond, or the case will be closed. For requests made **before 1 January 2025**: Cabinet Office advises scheme members to contact

Capita by **3 April 2026** to confirm they still wish to retire or their case will be closed. For requests made **after 1 December 2025**, members are told to wait for contact from Capita; and PCS have been told that we will receive more information from the Cabinet Office by **mid-March 2026**.

**Voluntary Exit Schemes (VES):** We have been advised that VES cases are “proceeding to plan”. PCS continues to object to the Cabinet Office prioritising VES completions while members who have wholly or partially left employment are still awaiting their pension payments.

**Annual Benefit Statements:** The employer confirmed they will all be available from the **end of March 2026**.

## **Resourcing and deadlines**

**June 2026 target:** The employer stated that they are still “working towards” completing outstanding work by June 2026 but did not confirm it as certain.

**Capita resourcing:** The working party acknowledged the need to review Capita’s available resources, in order to ensure it is sufficient to sustain ‘Business as Usual’ levels, once the backlog is cleared. Current physical support from the Civil Service includes **150** members of the ‘Surge and Rapid Response Team’ (“Surge”). The Cabinet Office accepts Capita’s resourcing must be sufficient to handle ongoing caseloads, without recourse to Surge support.

## **Compensation and accountability**

**Compensation framework:** The Cabinet Office accepts that unions will want to discuss compensation; but has made it clear that they intend to remain within the Pensions Ombudsman framework - through which the scheme can be directed to compensate members in cases of mal-administration.

**PCS demands:** PCS will continue to press for:

- Urgent conclusion of priority cases, with pressure to resolve all outstanding cases earlier than the June deadline.
- Full details of the cost of deploying civil servants to perform work contracted to Capita (given the contract value is cited as £239 million).
- A full and open inquiry into what went wrong with the administration, with full PCS representation.
- No further delay in completion of the McCloud Remedy work, given the work is already being delayed as a direct consequence of current administration failures.

## **PCS actions required**

**Timetables:** Urgent cases must be concluded immediately, and the June 2026 backlog target needs firmer assurance. PCS will seek to secure a clear timetable for completion of the McCloud remedy.

**Cabinet Office commercial strategy:** The Public Accounts Committee Chair has asked the Civil Service Chief Operating Officer to set out the Cabinet Office’s overall commercial strategy, leading to the continued outsourcing of the pension administration; including whether there was an in-house versus outsourced cost/benefit analysis. PCS will pursue the receipt of this document.

**Seek detail on interest payments:** PCS will continue to press for clarity on the employer's loan payments (including taxation implications), the move towards paying interest for late pension payments (including the mechanism, scope, and timetable).

**Monitor communications and timelines:** PCS will track Capita's mid-March update on post-December 2025 retirement quote handling; and seek to confirm the delivery of the March and April and March communications with scheme members.

**Prepare for compensation discussions:** PCS will collate case examples and quantify member impact, to support future compensation negotiations; with reference to the Pensions Ombudsman framework and other mechanisms.

**Fran Heathcote**  
General Secretary

**Martin Cavanagh**  
President



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