

Branch Briefing BB-39-26

To: Branch Chairs, Secretaries and Workplace Representatives

27 May 2026

Civil Service Pensions Crisis Update

Pension Scheme Crisis

I thought it important to let all know that the breakdown in service to members of the Civil Service Pension Scheme was debated at the union's conference in Brighton. Delegates ***unanimously*** demanded that the administration of the scheme is brought back in-house and called for a public inquiry into the unprecedented breakdown in service to scheme members.

Demo at Capita AGM

In advance of the union's conference, a demonstration organised by PCS with support from ARMs colleagues, and London regional TUC colleagues held a demo outside the Capita AGM. There were over 60 demonstrators, and it was addressed by John McDonnell MP – it left an impression on the shareholders of Capita!

Capita

John McDonnell MP, also reported that MPs have been hammering the government saying, "it's beyond me how Capita gets awarded any government contracts at the moment."

The Public Accounts Committee and the Public Administration and Constitutional Affairs Committee will hold a further joint session on to take evidence on 7th July and PCS General Secretary, Fran Heathcote, will write to the Committee Chairs with an update on the current state of the crisis. PCS will continue to work with our Parliamentary Group to examine the progress of the recovery and the performance of Capita against the Ministerial commitment to achieve contractual service levels by the end of June.

Media Coverage

As part of our campaign strategy to keep the pressure on Capita, we have achieved regular and significant media coverage. I conducted an interview yesterday (26/05/2026) with Radio 4 on the pension's crisis. This will be broadcast this Saturday (30/05/2026) – a link to the broadcast will be issued later.

Recovery Plan Update

Following on from Tuesday's debate in Brighton, a further meeting has taken place with the Cabinet Office. Angela MacDonald, second permanent secretary at HMRC, who leads the Recovery Team, provided an update to the unions.

Around 2000 pensions have been put into payment in the last two weeks and it is expected that all members who received their lump sums, some weeks ago will have been allocated to an automated payroll cycle by the end of May.

ABS information has gone live in the Portal.

Over the last two weeks around 3,000 pension quotes have been issued. Capita has committed to producing pension quotes at this level to clear the backlog by the end of June. To set this in context, Capita is aiming to achieve compliance with their Key Performance Indicators by the end of June, but producing quotes within the specified time will only be one stage in removing the backlog because the quotes will still have to be returned and finalised. Current applications to retire are running at around a thousand each week.

A joint effort is being mounted to identify any pre-transition applicants whose pension is still not in payment contrary to commitments previously given. Branches are asked to notify PCS via pensions@pcs.org.uk

The seventh update from the Recovery Taskforce gives some approximate numbers and includes a more comprehensive Q & A for members receiving their quote. (insert link)

<https://www.civilservicepensionscheme.org.uk/memberhub/knowledge-centre/events-and-news/recovery-plan-updates/>

Compensation

The Cabinet Office is operating within the framework set out by The Pensions Ombudsman which involves making a complaint of maladministration. It is expected that thousands of scheme members affected by the breakdown in service will do so.

Once a complaint has been logged with Capita, there is an Internal Dispute Resolution process to follow. Form IDR1, which will be accessible via the scheme website, is used to set out issues, such as distress and inconvenience, including any penalties or charges incurred. The initial return is made to Capita and, if necessary, there is a second stage raised with form IDR2 which Capita must return to the Cabinet Office.

Additional resources will be made available to deal with the anticipated complaints.

Legal Advice

Members should be aware that PCS is still gaining legal advice from our lawyers on whether there is an enforceable position for compensation to be claimed, I will of course advise on this should anything be forthcoming.

Fran Heathcote
General Secretary

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