

## **Branch Briefing BB-34-26**

**To: Branch Chairs, Secretaries and Workplace Representatives**

**5 May 2026**

## **Civil Service Pensions Crisis Update**

PCS and our sister unions met again on 1<sup>st</sup> May with GPG Director, Simon Claydon, and the Cabinet Office Recovery Team. This briefing provides an update including an assessment of progress against the Recovery Plan. It also covers the political fallout from the extent of the failure of the transition and the contract with Capita Pensions Solutions.

### **Meeting overview**

Capita has claimed that the recovery milestones, which had included finalisation of cases with retirement dates before the 1<sup>st</sup> December 2025, and were originally set at 10<sup>th</sup> April, were mainly met by the end of April. The unions raised instances where commitments given about bereavement ill health retirement cases had not been met. It was agreed that further work is needed to ensure the escalation route in these cases results in prompt action by Capita which is reported on.

Capita will finally start a bulk issue of the delayed pension quotes next week. Receiving a quote is only one step in the process so this still means that those who notified their retirement date in the first months of 2026 are unlikely to have pension finalisation and payment until July. A waiting time of over six months continues to leave thousands of members without their expected income.

More than 1500 transition loans of £5000 have now been made by employers to retiring scheme members. The duration of the loan scheme will be extended to offer some protection to those retiring during 2026 with many expected to reach the current limit of £10,000. Unions raised the question of what support will be available when the limit is reached and the response was that the issue is being looked at.

The unions raised the lack of a firm date for the resumption of work to complete the McCloud Remedy, other than the commitment made by Ministers to achieve this by 31<sup>st</sup> March 2027. A specific meeting on McCloud will be arranged.

### **Assessing the damage**

At the time the decision to proceed with the transition to Capita was taken in October 2025 system functionality to improve, and not just to maintain, the service to scheme

members was promised. As the transition shut down approached in November 2025 unions were told that, to reduce risks at the point of transition, full functionality, including the system interfaces with the employers, and a user-friendly modeller, would be delayed until March 2026. At this point the expected improvement would be delivered. So far none of these enablers for a proper level of service have actually been delivered. This places a limit on the output which can be achieved and slows the recovery.

Two of Parliament's key Select Committees, the Public Administration and Constitutional Affairs Committee and the Public Accounts Committee are combining to examine in detail the causes of the crisis and the repeated service failure which has been experienced since the administration of the scheme was privatised in 2012.

### **Future Management of the Civil Service Pension Scheme**

The Scheme Management role sits within Government People Group in the Cabinet Office. Angela MacDonald, who has led the government's emergency intervention, is retiring in July. To continue this intervention and meet the ongoing scheme management challenge during the chaos inflicted on the scheme by Capita Pensions Solutions, a new Director of Pensions post (***this post has been created to deal with the continued crisis – another example of how public funds are being used to 'prop-up' the Capita contract***) it is intended to be filled prior to Angela MacDonald's departure.

### **Campaign next steps**

PCS is calling on the government to act decisively by ending Capita's involvement as the scheme administrator and bringing the service back in-house, as it has done in the case of the Royal Mail Statutory Scheme. We are of course calling for the £1 billion Synergy contract, to provide payroll services to more than half of the civil service, not to be given to Capita, and as with the Civil Service Pensions administration be brought back in house.

We will continue to exert pressure on the government in any way we can; political, legally and industrially.

PCS is supporting a protest outside the Capita AGM in London on Monday 18<sup>th</sup> May. See the PCS website for details.

**Fran Heathcote**  
General Secretary

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President