**Death in Service and Critical Illness Health Insurance Requirements – Proposed Specification Summary**

# PURPOSE

## This statement of requirements is to procure insurance cover for death in service (“DIS”) and insurance cover for ill health retirement for employees of the Government Commercial Organisation (“GCO”).

## The GCO is an employer of senior commercial staff across government. It will offer unique terms and conditions to its specialist employees, including a pension from Standard Life. This pension does not include DIS insurance cover.

# BACKGROUND TO THE CONTRACTING aUTHORITY

## Cabinet Office is a Ministerial UK Government department that provides support to the Prime Minister and, in partnership with HM Treasury, are the corporate headquarters for government.

## The GCO is a business unit within Cabinet Office.

# Background to requirement/OVERVIEW of requirement

## The Government has established the Government Commercial Function (GCF) to work as a function (profession) across government departments and agencies to increase the commercial capability of all staff and improve commercial outcomes.

## As part of a transformation programme to increase the attractiveness of the profession and upskill senior staff the government has agreed to offer unique terms and conditions to senior commercial staff. This improved offer in pay is offset in part by changes to pension arrangements. As a result pension cover is being procured from the private sector and employees on the new terms and conditions will not be eligible for Civil Service pensions.

## The GCO has been set up to manage this change to the government employment model. The GCO’s mission is to recruit, develop, retain, and deploy the best UK senior commercial talent on government’s commercial priorities.

## The GCO is currently transitioning existing staff who assessed suitable (high-level of expertise) from departments into the GCO. The transition process is happening in waves with the full transition of staff from the main government departments expected to be completed by the end of 2017 calendar year. The first transitioning department to the GCO will be the Department for Work and Pensions (DWP), whose transition will take place on the 1st February 2017, followed closely by other departments over the 2017 period. The GCO will provide a pension from Standard Life, which does not include ill health retirement insurance cover. It is important that this insurance is in place quickly in the event that any individuals are medically certified as unable to continue working, enabling cover for any liabilities that may subsequently result.

# definitions

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| Expression or Acronym | Definition |
| GCF | means Government Commercial Function. |
| GCO | means Government Commercial Organisation.  |
| DIS | means death in service. |
| Ill health insurance | means an insurance to provide for a payment to an individual who has been medically certified as unable to continue working. |

# scope of requirement

## Specific details of individuals are currently not available as the transition details are still being finalised.

## DIS insurance cover is expected to provide 3 times the individuals salary should they die in service. The cover is initially required for up to 200 employees, but the option to scale this up must also be provided, with the expectation that the GCO will employ more than 500 specialists in due course. Potential providers should provide cost estimates for the initial 200 employees, and an indication of potential costs for up to 500 employees.

## Ill health insurance cover is expected to provide 50% of salary for a period of up to 5 years, commencing after the expiry of statutory sick pay entitlement, and where an individual has been medically certified as unfit to continue working. The cover is initially required for up to 200 employees, but the option to scale this up must also be provided, with the expectation that the GCO will employ more than 500 specialists in due course. Potential providers should provide cost estimates for the initial 200 employees, and an indication of potential costs for up to 500 employees.

## The pay scales for GCO staff, with an estimate of the distribution across the 3 specialist grades are as follows:

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| Specialist Level | Base Pay Low | Base Pay Mid | Base Pay High | Non-consolidated Performance Related Pay | Distribution of Staff across Specialist |
| Senior Commercial Specialist | £130k to £170k | £170k to £180k | £180k to £190k | 20% | 10% |
| Commercial Specialist | £90k to £115k  | £115k to £125k | £125k to £130k | 20% | 30% |
| AssociateCommercial Specialist | £65k to £85k  | £85k to £90k | £90k to £95k | 15% | 60% |