

Mandarin millionaires: civil service pension pots

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Introduction

According to the latest accounts, the combined value of all public sector pension liabilities reached £2.19 trillion in 2019-20,¹ or over 95 per cent of GDP.² Public sector pensions are legally required to rise in line with the state pension³, which will be an increase of 3.1 per cent this year (2022-23).⁴ Civil servants are already rewarded with regular promotion, salary rises and job security, in addition to pensions generally more generous than those in the private sector. In future, the default for all new civil servants should be to have a funded, defined contribution pension scheme.⁵ Unfunded pension schemes do not have assets set aside to cover the costs of employee benefits, and instead rely on future taxation.

The median gross pay of those in the public sector is already 14.1 per cent higher than their private sector counterparts.⁶ Private sector taxpayers – who are, more often than not, members of less generous schemes – should not be left subsidising unfunded pensions for public sector workers.

This note details the size of the top Whitehall civil servants' pension pots in the latest year for which data is available, 2020-21, including the annual pension they'll receive, as well as lump sum payments they'll be entitled to upon retirement.

Key findings

- During 2020-21, **187** of the most senior civil servants had a cumulative pension pot of **£122.9 million**. This is an **average pension pot of £657,128 in 2020-21**. Of these, **38 civil servants'** pension pots are worth more than **£1 million**.
- Excluding those who have since left, the civil servant with the largest pension pot is **Sir Philip Barton**, permanent under-secretary of the Foreign, Commonwealth and Development Office. His pension pot was valued at **£1,690,000**.
- During 2020-21, the mandarin with the largest annual pension was **Lord Sedwill**, whose pension pot was the equivalent of **£102,500** per year in retirement. This is over three times the **median annual pay for full-time workers in the UK in 2021 (£31,285)**.⁷ The average pension for departmental heads upon retirement was equivalent to **£39,904** per annum.
- **94** of the civil servants will earn a lump sum upon retirement. The average lump sum was **£99,894** in 2020-21.
- A further five mandarins were entitled to annual pensions of between **£80,000 and £95,000 per year**. These are permanent secretaries **Matthew Rycroft, Tamara Finkelstein, Christopher Wormald** and **Simon McDonald**, and first parliamentary counsel **Elizabeth Gardiner**.

¹ HM Treasury, *Whole of Government Accounts, 2019-20*, 6 June 2022.

² HM Treasury, *GDP deflators at market prices, and money GDP June 2022 (Quarterly National Accounts)*, 30 June 2022, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1087229/GDP_Deflators_Qtrly_National_Accounts_June_2022_update.xlsx, (accessed 12 July 2022).

³ Thurley, D., *Public service pension increases*, House of Commons Library, 26 October 2021, p. 4.

⁴ Department for Work and Pensions, *State Pension and Benefit rates for 2022 to 2023 confirmed*, 25 November 2021, www.gov.uk/government/news/state-pension-and-benefit-rates-for-2022-to-2023-confirmed (accessed 14 July 2022)

⁵ Basey, P., *Pensions inequality*, TaxPayers' Alliance, August 2018.

⁶ Office for National Statistics, *Earnings and hours worked, UK region by public and private sector: ASHE Table 25.7a*, 26 October 2021,

www.ons.gov.uk/file?uri=%2femploymentandlabourmarket%2fpeopleinwork%2fearningsandworkinghours%2fdatasets%2fregionbypublicandprivatesectorashtable25%2f2021provisional/table252021provisional.zip, (accessed 10 July 2022).

⁷ Office for National Statistics, *Earnings and hours worked, place of residence by local authority: ASHE Table 8.7a*, www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/placeofresidencebylocalauthorityashtable8, (accessed 20 June 2022).

[Click here to see the full list of top civil servants' pension pots](#)

Departmental heads' pension pots, annual pensions and lump sums, 2020-21

Department	Name	Job title	Accrued annual pension (£)	Lump sum (£)	Cash equivalent transfer value (pension pot) (£)	Real increase in CETV (£)	Notes
Attorney General's Office (Government Legal Department)	Jonathan Jones	HM procurator general, treasury solicitor, permanent secretary and chief executive	67,500	197,500	1,552,000	45,000	In post until 9 November 2020
Attorney General's Office (Government Legal Department)	Peter Fish	HM procurator general, treasury solicitor, permanent secretary and chief executive	47,500	142,500	1,145,000	120,000	In post between 9 November 2020 and 5 March 2021
Attorney General's Office (Government Legal Department)	Susanna McGibbon	HM procurator general, treasury solicitor, permanent secretary and chief executive	52,500	107,500	966,000	60,000	In post from 8 March 2021
Department for Business, Energy & Industrial Strategy	Sarah Munby	Permanent secretary	7,500		44,000	18,000	In post from 20 July 2020
Department for Business, Energy & Industrial Strategy	Sam Beckett	Permanent secretary	62,500	132,500	1,130,000	1,000	In post from 14 April to 20 July 2020
Cabinet Office	Simon Case	Cabinet secretary	37,500		450,000	33,000	In post from September 2020
Cabinet Office	Alex Chisholm	Permanent secretary and chief operating officer of the civil service	37,500		478,000	43,000	Formerly at DBEIS until 13 April 2020

Department	Name	Job title	Accrued annual pension (£)	Lump sum (£)	Cash equivalent transfer value (pension pot) (£)	Real increase in CETV (£)	Notes
Cabinet Office	Mark Sedwill	Cabinet secretary and national security advisor	102,500		1,740,000	52,000	In post until September 2020
Cabinet Office	John Manzoni	Permanent secretary and chief executive of the civil service	37,500		548,000	2,000	In post until April 2020
Department for Culture, Media and Sport	Sarah Healey	Permanent secretary and accounting officer	42,500	77,500	648,000	44,000	
Department for Environment, Food & Rural Affairs	Tamara Finkelstein	Permanent secretary	82,500		1,420,000	88,000	
Department for Education	Jonathan Slater	Permanent secretary	67,500	207,500	1,605,000	28,000	In post until 1 September 2020
Department for Education	Susan Acland-Hood	Permanent secretary	57,500		741,000	76,000	In post from 7 December 2020
Department of Health and Social Care	Christopher Wormald	Permanent secretary	87,500		1,446,000	60,000	
Department for Transport	Bernadette Kelly	Permanent secretary	72,500	192,500	1,568,000	41,000	
Department for International Trade	John Alty	Interim permanent secretary and accounting officer	77,500	227,500	1,651,000	24,000	
Department for Work and Pensions	Peter Schofield	Permanent secretary	72,500	167,500	1,307,000	61,000	
Foreign, Commonwealth and Development Office	Simon McDonald	Permanent secretary	92,500	282,500	2,242,000	13,000	In post until 1 September 2020

Department	Name	Job title	Accrued annual pension (£)	Lump sum (£)	Cash equivalent transfer value (pension pot) (£)	Real increase in CETV (£)	Notes
Foreign, Commonwealth and Development Office	Philip Barton	Permanent secretary	77,500	212,500	1,690,000	321,000	In post from 2 September 2020
Home Office	Matthew Rycroft	Permanent secretary	87,500		1,409,000	40,000	
Ministry of Housing, Community and Local Government	Jeremy Pocklington	Permanent secretary	62,500	32,500	934,000	137,000	
Ministry of Defence	Stephen Lovegrove	Permanent under-secretary of state	47,500		698,000	49,000	
Ministry of Justice	Antonia Romeo	Permanent secretary	52,500	82,500	745,000	9,000	Formerly at DIT until 17 January 2021
HM Treasury	Tom Scholar	Permanent secretary	77,500	157,500	1,411,000	63,000	
Wales Office	Glynne Jones	Director	42,500	92,500	837,000	37,000	
Total			1,552,500	2,312,500	28,405,000	1,465,000	
Average			62,100	154,167	1,136,200	58,600	

Methodology

- This data set records the name, job title, accrued annual pension, lump sum, and cash equivalent transfer value (CETV) of all named civil servants in departmental accounts.
- This research includes all civil servants named in department accounts.
- 'Pension pot' refers to the CETV. This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. Accrued pension refers to the estimated value of the annual pension payment that a retired civil servant will receive.
- 'Real increase in CETV' refers to the increased CETV of the pension scheme benefits compared to the previous financial year, adjusted for inflation. This is not the same as the increase in payments made into the scheme by the employer and employee during the year.
- Accrued pensions and lump sums are presented as bands in the accounts. Therefore, the mid-point in the band has been selected.
- Civil service pensions arrangements are made up of five schemes. Three provide benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one provides benefits on a whole career basis (nuvos) with a normal pension age of 65. A new scheme, alpha, was introduced on 1 April 2015, which new entrants join.
- Figures have been derived from 2020-21 annual reports of UK government departments. The individuals in the table include all who ran a department, even if only on a temporary basis.