



**LOCAL PENSION BOARD**

**12 JUNE 2017**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**EMPLOYER REQUESTS FOR ADMISSION BODY STATUS**

**Purpose of the Report**

1. To update the Board about three new employers joining the Leicestershire Fund, as initially detailed in the report to the Pension Board dated 13 March 2017.

**Background**

2. If an employer in the Local Government Pension Scheme (LGPS) outsources its services to a private company the new employer has to protect the pension benefits of the people that transfer. To do so, the new employer has to either; offer a broadly comparable pension arrangement or apply for admission body status in the Leicestershire Fund.
3. Most private companies do not offer a broadly comparable pension scheme so apply for admission body status.
4. There are a number of requirements that must be completed to become an admission body in the Leicestershire Pension Fund; including completion of an admission agreement, arranging a guarantor and/or setting up a bond and having any actuarial work completed by the Funds Actuary. This is standard practise and all legal issues are expected to be complete before the transfer of staff can take place.
5. As detailed in the previous report, there were three transfers that have taken place before the admission agreement and bonds were in place. Until the entire pension documents are signed by all parties, the staff that transferred over are not active contributors to the Local Government Pension Scheme. Whilst the outsourcing employers and the new companies are working with the Pension Section to resolve this, there remains a risk until the documents are completed.

6. Details of the three cases are detailed in the table below;

<b>Outsourcing Employer</b>	<b>New Employer</b>	<b>Date staff transferred</b>	<b>Number of pensionable staff</b>	<b>Position as at 31 May 2017</b>
South Leicester College (part of North Warwickshire and Hinckley College)	Solo Service Group	01/08/2016	9	Legal documents require signature
Heath Lane (Midlands Academy Trust) (part of the North Warwickshire and Hinckley College)	Solo Service Group	01/08/2016	2	Legal documents require signature
Brooke Hill Academy	Servest	26/8/2016	1	Complete

7. The Pension Section and colleagues from Leicestershire County Council Legal Services have been working very hard to positively resolve the two outstanding cases. In both of these cases, the documents have been agreed by all parties and are now with the relevant parties for signature. The delay has been caused by North Warwickshire and Hinckley College. Solo has engaged with the Pension Section throughout the process and have been equally keen to resolve these.
8. The Pension Manager has assurance from North Warwickshire and Hinckley College that these will now be completed in a matter of days.
9. Once the Pension Section receives fully completed admission agreements and bonds the pensionable service will be backdated for all the staff that transferred. The staff will then gain continuous pensionable service, covering the period of transfer between the employers.

### **Recommendation**

10. It is recommended that the Board notes the report.

### **Equality and Human Rights Implications**

None specific

**Officers to Contact**

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