



Oxfordshire Pension Fund

www.oxfordshire.gov.uk/pensions

Employer Admission Manual

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1 Introduction

This manual provides organisations with information on becoming an employer within the Oxfordshire Pension Fund (**the Fund**). Organisations may seek information for a variety of reasons such as to prepare a tender, or because they have been awarded some work covered by the Local Government Pension Scheme (LGPS), or because they are required to provide the LGPS following a statutory or organisational change, for example converting to academy status, or because they are an eligible organisation who wishes to provide the LGPS to some or all of its employees.

This manual explains the responsibilities of all parties and the processes and costs involved in making the application. With the exception of **deemed employers**, it covers the different types of employers that can join the LGPS and provides information regarding the provision of security such as bonds.

It will also be of interest to **scheme employers**/departments/schools that are letting contracts which may result in a new employer joining **the Fund**. Such a **scheme employer**/department/school should contact the Pensions Service ahead of any procurement exercise. Contact details are in Section 10.

A summary of the steps involved in becoming a participating employer within the Oxfordshire Pension **Fund** is provided at Section 11.

Terms in **bold** are defined in a glossary in Appendix 2 at the end of this manual.

Please note

Please note that this manual is a summary of the requirements of the Local Government Pension Scheme Regulations 2013 (**the Regulations**) in place at the time of writing. It does not replace the requirements of **the Regulations** which will prevail.

1.1 The Local Government Pension Scheme

The LGPS is a funded, statutory, defined benefit scheme. Its rules are laid out in legislation. The current regulations are The Local Government Pension Scheme Regulations 2013 (as amended) (**the Regulations**).

- **As a funded scheme**, there is a physical fund of money which is invested and into which employee contributions, employer contributions and investment returns are paid and out of which benefits are paid to members. While the level of employees' contributions are laid out in **the Regulations**, the employer must contribute towards the cost of providing the benefits and meet the cost of any shortfall between investment returns and the employees' contributions and the cost of providing the benefits. **The Fund** is valued by an Actuary every three years to set the employer contribution rates for the following three year period. Employer contribution rates may go up or down. Upon ceasing to participate in the LGPS a final valuation is completed and any deficit at that time may crystallise and become payable immediately by the employer. Any surplus will remain in **the Fund**.
- **As a statutory scheme**, the LGPS members' benefits are secure and are fully guaranteed.
- **As a defined benefit scheme**, members' benefits are calculated against a set formula and are unaffected by movements in investments. Details of the benefit structure can be found at www.LGPS2014.org

1.2 Participating in the LGPS

Employees may only participate in the LGPS if they are employed by an employer who is a **scheme employer**. A **scheme employer** is one of four types of employer and there are different requirements for each to enable them to become a participating employer within the LGPS. This manual covers three of the four.

1.3 Types of employers in the LGPS

Employers participating in the LGPS fall into one of four types as detailed below. Each employer type has different requirements and processes relating to it becoming a **scheme employer** and different rules regarding which of its employees may participate in the LGPS. The first step is to establish which type of employer your organisation would be if joining **the Fund**. Please confirm this with Pension Services in the first instance. Contact details are in Section 10.

Types of Employers

1. Scheduled bodies (LGPS Regulations 2013, Schedule 2, Part 1)

These are employers listed in Schedule 2, Part 1 of **the Regulations**. These are generally tax raising statutory bodies, but also include Academy Schools. Employers must automatically join their employees to the LGPS upon appointment*, although an employee may then opt out.

2. Designated bodies (LGPS Regulations 2013, Schedule 2, Part 2)

These are the employers listed in Schedule 2, Part 2 of **the Regulations**. These are generally precept raising bodies or bodies under the control of **scheduled bodies** or set up by Government. Employers may designate which employees may participate in the LGPS and those employees must automatically join the LGPS upon appointment*, although an employee may then opt out.

3. Admission bodies (LGPS Regulations 2013, Schedule 2, Part 3)

These are employers who are the type of employer described in Schedule 2, Part 3 of **the Regulations** and with whom an **administering authority** has made an **admission agreement**. There are two types of **admission bodies**: those bodies providing services as a result of a transfer of services (LGPS Regulations 2013, Schedule 2, Part 3 1 (d)) or those not for profit bodies providing a public service. These were formally known as **transferee admission bodies** and **community admission bodies** respectively. This manual retains those terms for ease of reference.

Employers may designate within the **admission agreement** which employees may participate in the LGPS and those employees must automatically join the LGPS upon appointment*, although an employee may then opt out. In the case of a **transferee admission body** a member may only participate if employed in connection with the service transferred and the employer is required to offer membership of the LGPS to certain employees.

4. Deemed employers (LGPS Regulations 2013, Schedule 2, Part 4)

These are employers listed in Schedule 2, Part 4 of **the Regulations**. These are generally employers where another organisation is deemed to be the employer. There are a variety of reasons why a person may become a member of the LGPS under this part of **the Regulations**. These are in specific and infrequent circumstances and are not covered in this manual.

Note *with the exception of employees who have a contract of employment of less than three months. Such members join on the earlier of their **automatic enrolment date**, if they apply to become a member, or the first date of the payment period following their contract being extended beyond three months.

2 Application costs

The charges set out in the table below will be levied by **the Fund** in respect of the application process. VAT will be added to the charges shown. The table is correct as at January 2016 and may change.

The Fund will initially be invoiced for costs from advisors and will pass these on to you as the employer/department/school letting a contract or as the new employer upon completion of the admission process, together with their own charges. Charges will be levied for work undertaken whether or not the application is successful.

Please note that membership of **the Fund** also carries various costs for an employer and those costs are considered elsewhere in this manual.

	Scheduled bodies	Designated bodies	Community admission bodies	Transferee admission bodies
Oxfordshire Pension Fund charge for all work undertaken in connection with the application	£40 per hour	£40 per hour	£40 per hour	£40 per hour
Fund Actuary charge* for calculation of the initial employer contribution rate	£1395 - £1520	£1395 - £1520	N/A	N/A
Fund Actuary charge* for calculation of the initial employer contribution rate and indemnity bond if required	N/A	N/A	£1520	£1520
Fund Actuary charges* for bulk transfer of previous pension rights between employers in the Fund	£950	£950	£950	£950
Fund Actuary charges* for other advice or guidance if required such as bulk transfer of previous pension rights from an external fund	£125 - £415 per hour dependent on staff level required	£125 - £415 per hour dependent on staff level required	£125 - £415 per hour dependent on staff level required	£125 - £415 per hour dependent on staff level required
Oxfordshire legal charges for drafting and finalising admission agreement	N/A	N/A	£190 per hour	£190 per hour

	Scheduled bodies	Designated bodies	Community admission bodies	Transferee admission bodies
Oxfordshire legal charges for other work in connection with the outsourcing and/or the admission process if required	£190 per hour	£190 per hour	£190 per hour	£190 per hour
In addition, you may have other charges such as:	To deal with the ultimate cessation of you as a scheme employer	To deal with the ultimate cessation of you as a scheme employer	To obtain a bond from a bond provider To deal with the ultimate cessation of you as a scheme employer	To obtain a bond from a bond provider and to agree a side agreement, if required, with the authority letting the contract To keep under review at each triennial valuation , the value of the bond required To deal with the ultimate cessation of you as a scheme employer

*Actuary charges assume employer between 10 and 500 members. Adjusted fees may apply to other employers.

3 Application timescales and responsibilities

You should allow plenty of time for your application to be processed before the date that you require the LGPS to be available. The table below sets out a likely timescale for the admission process and where the responsibility for each stage lies. **The Fund** as the **administering authority**, the applying employer, the employer/department/school letting a contract if there is one, the Fund Actuary and the legal advisors all have responsibilities in the process.

	Responsible Party	Scheduled bodies	Designated bodies	Community admission bodies	Transferee admission bodies
Email Pensions Services	Employer / department / school letting contract	Ahead of any procurement exercise			
Complete and submit application form & financial information to Pension Services	Organisation applying to join the Fund	4 months prior to date of admission, or earlier			
Submit employee data to Pension Services	Organisation applying to join the Fund	3 months prior to date of admission			
Submit data to Fund Actuary	Oxfordshire Pension Services Team	From receipt of employee data: 4 weeks			
Determination on whether application is accepted	Administering Authority	Pension Services 6 - 8 weeks from receipt of application form	Pension Services 2 weeks from receipt of initial contribution rate and bond information from Fund Actuary. Final admittance subject to successfully putting a signed admission agreement in place	Pension Services 2 weeks from decision of letting authority as to whether a bond will be required. Final admittance subject to successfully putting a signed admission agreement in place	
Calculation of bond required	Fund Actuary	n/a	n/a	3 weeks from submission of employee data to them	3 weeks from submission of employee data to them
Calculation of initial contribution rate	Fund Actuary	3 weeks from submission of employee data to them			
Decision if a bond or other security will be required	Letting Authority/ department/school/ Pension Services	n/a	n/a	Prior to the admission agreement being drawn up	Prior to the admission agreement being drawn up

	Responsible Party	Scheduled bodies	Designated bodies	Community admission bodies	Transferee admission bodies
Admission agreement drawn up	Oxfordshire Legal team	n/a	n/a	2 weeks	2 weeks
Side agreement drawn up and signed if required	Letting Authority/ department/school / contractor	n/a	n/a	n/a	Dealt with externally and therefore unknown
Admission agreement signed and in place	Employer/Letting Authority/ department/school if applicable/ Fund	n/a	n/a	Prior to commencement of the admission agreement	Prior to commencement of the admission agreement
Resolution designating which employees/groups of employees may join the LGPS	Organisation applying to join the LGPS	n/a	Dealt with externally and therefore unknown	n/a	n/a
Bond (or other security required) obtained and certificate passed to employer/ department/school letting a contract and to the Fund	Employer	n/a	n/a	Prior to commencement of the admission agreement	Prior to commencement of the admission agreement
Issue Service Level Agreement, various spreadsheets for administration of the LGPS including new starter spreadsheet to new employer	Oxfordshire Pension Services	With the determination of whether the employer application was accepted	2 weeks from receipt of resolution designating who may join the LGPS	2 weeks from receipt of signed admission agreement	
Members may join the Fund – admission forms / new starter spreadsheet submitted to Pension Services	Employer	From the date the body becomes a scheduled body	With effect from commencement date and only once the resolution designating who may join the LGPS has been received by Pension Team	With effect from commencement date, and only once the admission agreement has been signed by all parties and is “in place”	
Transfer of previous service / options exercise	Oxfordshire Pension This can involve all stakeholders.	See Section 6 - Transfer of previous pension entitlements			

Section 8 describes your responsibilities once you become a **scheme employer**.

4 Applying to become a scheme employer, submitting data and information

As soon as you are aware that you wish to apply, or may wish to apply and are seeking further information, to join **the Fund** as an employer, or if you are letting some work and do not yet know who the successful bidder is or if they will use the LGPS, please contact Pension Services to establish which type of **scheme employer** you or the new employer will be. Please then complete and return to Pension Services the admission application form in Appendix 1 completed with as much information as you have available.

Where the potential employer is known, the form will ask you to submit documents to enable financial and legal status to be assessed. You will also be asked to provide Pension Services with data to enable an initial contribution rate and bond value, if applicable, to be calculated. In the case of an outsourcing of work this data should be provided by the employer/department/school letting the contract and should include both those employees in the LGPS and those who are eligible to join

The data will be required in the form of an Excel spreadsheet. A current template will be sent to you and will include items such as:

- Name of applying organisation and name of letting authority if applicable
- If the employer will be open or closed to new members, length of contract if applicable, which party is responsible for the deficit, when the employer wishes to be effective from
- **Eligible employee** full name
- National Insurance Number
- Payroll reference number
- Gender
- Date of birth
- Full time equivalent **pensionable pay** (including pensionable extras), 2008 LGPS Regulations definition (see web link in Appendix 3) if pre 1 April 2014 service
- **Pensionable pay**, 2013 LGPS Regulations definition (see web link in Appendix 3)
- Current hours (and weeks worked including holiday entitlement if the employee works term time only), if the member is protected by the LGPS underpin by being a member within 10 years of their normal retirement date as at 1 April 2012, or is purchasing added years. If easier, you may provide this information for all employees
- Contribution rate (for those who are LGPS members)
- Details of any added years being purchased
- Identification of which of the employees have a right to join the LGPS but are currently opted out.

5 Setting employer contribution rates

Using the employee data provided by you to the Oxfordshire Pension Services and the Fund Actuary will be asked to calculate an appropriate commencement employer contribution rate for you the employer to pay to **the Fund**.

The Fund Actuary will also provide details of the current funding position, which may be a deficit, in relation to any employee with previous service.

Once the results are to hand, they will be provided to you the employer applying to join **the Fund** and in the case of a **transferee admission body**, also to the **scheme employer** or department or school letting a contract.

5.1 Initial contribution rates – an explanation

The on-going contribution rate represents the annual cost of benefits accruing. It is expressed as a percentage of payroll.

The calculated contribution rate includes an allowance to cover the normal expenses of the administration of **the Fund**.

There may also be a deficit contribution set depending on arrangements made for the transfer of any previous service or pension benefits that members may have had. Transfers are described in Section 6. These contributions are generally set as cash sums.

With the exception of **scheduled bodies**, other participating employers may be closed to new members joining the LGPS, i.e. they might have a **resolution** or **admission agreement** such that no further members may join. In this event, the on-going contribution rate as a percentage of payroll would be expected to increase as the membership gets older, so the required initial contribution rate for a closed **admission agreement/resolution** will be higher than for one that is open.

If you are a **transferee admission body**, further information about funding is in Section 7.6 which covers special considerations for **transferee admission bodies**.

If you are an academy, further information about setting contribution rates is in Section 7.1.

5.2 Reviewing the employer contribution rate

Although many employers commence in **the Fund** as fully funded and although the contribution rate is calculated to try to maintain this funding position, it is almost certain that the funding position will not be exactly 100% at any point in time in the future. The assumptions adopted for items such as investment returns, longevity and pay rises are unlikely to be exactly borne out in practice, and the membership profile will change over time.

Any deviation from the fully funded position will be corrected at each **triennial valuation** via an adjustment to your employer's contribution rate. Changes to employer contribution rates are effective one year after the date of the **triennial valuation**. The next **triennial valuation** is due as at 31 March 2016. New employer contribution rates will be effective from 1 April 2017. For **transferee admission bodies** see also Section 7.6 which covers special considerations for **transferee admission bodies**.

Employer contribution rates may change again two years after the date of the **triennial valuation** following changes to the benefit structure as a result of the review of aggregate LGPS costs across England and Wales. This is part of cost control mechanisms for the LGPS to keep the cost of it within predetermined limits.

Contribution rates may also be regularly reviewed towards the expected end of the participation of an employer in **the Fund**. This is with a view to achieving a fully funded position at the end of participation of an employer in **the Fund**.

A final review of the contribution requirement takes place once you cease to be a participating employer. See Section 9 “Ceasing to be a **scheme employer**” for details of final payments that may be required to **the Fund**.

The Fund’s policy regarding funding the LGPS including setting and reviewing contribution rates is set out in our Funding Strategy Statement which is available on our website at:

<https://www.oxfordshire.gov.uk/cms/content/local-government-pension-scheme-fund>

5.3 Additional costs

As well as paying the initial employer contribution rate each month, you will also be responsible for other costs incurred as a result of your participation in **the Fund**. These will be invoiced to you and can include for example:

- the capital or “strain on **Fund**” cost of the use of any **employer discretions**. For example when additional pension is awarded or early retirement is allowed and an actuarial reduction is waived
- the additional cost arising as a result of members taking early retirement. For example due to redundancy or efficiency, ill-health or flexible retirement
- additional cost arising from failure to meet administration standards required by us
- the cost of bond reviews where required
- the cost of more frequent funding reviews towards the end of an employer’s participation in **the Fund**. For example as the end of a contract approaches for a **transferee admission body**

Some costs can be substantial; you should always ask Pension Services for a quote before making any membership decisions. Many of the costs will be calculated by the Fund Actuary, or by us using tables supplied by the Fund Actuary. You should allow time for the calculations to take place.

6 Transfer of previous pension entitlements

Once you become an employer in **the Fund**, your members in the LGPS may be able to transfer previous pension benefits into **the Fund**, or if they have previous LGPS membership then this will be automatically transferred to their new membership with you unless they elect not to transfer it within 12 months or such longer period as you may allow, or unless they had previously opted out of the LGPS.

It is important that we are informed of the previous pension history at the time of your application. If this is not known to you please let us know and we will advise you as to whether we already have that information or what might need to be done to obtain it. Once the information is known, we will then be able to advise you of the process that will be followed. This may include the requirement for the Fund Actuary to negotiate a bulk transfer with the previous pension scheme or pension fund, or to calculate an intra-fund transfer and to take account of this in the setting of your initial employer contribution rate. It may also be necessary to carry out an option exercise to find out which members wish to transfer previous pension benefits where they have a choice and in all cases certain communications with the members will be required.

In the case of **transferee admission employers** it is normal practice for a pass through arrangement to apply. See Section 7.6.

7 Special considerations

7.1 Scheduled bodies - academies

If you are an Academy, then you will initially be set contributions which include a share of the deficit previously payable by the former education authority. This is because the funding for the deficit forms part of the funding that you as the Academy will now receive.

If you are another type of organisation falling under the Academies Act 2010 such as a Free School, your initial contributions set may or may not include a share of the deficit as above. This is partially dependant on whether your organisation will form part of an academy pool.

The Fund's policy on which academies, including other types of organisation falling under the Academies Act 2010, may be pooled for the purposes of setting contribution rates is set out in the Funding Strategy Statement (see Section 5.2).

7.2 Designated bodies - Resolutions

You will be required to make a **resolution** as to which employees will be entitled to join the LGPS. The **resolution** should be approved by the appropriate committee at your organisation with the power to do so and recorded in the minutes. Please submit the **resolution** and a copy of the minutes to *[Pension Services*

7.3 Admission bodies – The Fund's admission policy

In accordance with **the Regulations**, **the Fund** may decide which **community admission bodies** it will accept into membership of **the Fund**. All applications are considered and decided upon by Pension Services

Again, in accordance with **the Regulations**, applications from **transferee admission bodies** will be accepted into **the Fund** subject to satisfaction of the security and other requirements of **the Regulations**.

7.4 Admission bodies - Security requirements

In accordance with **the Regulations** and in order to protect **the Fund** and other employers in it in the case of a **community admission body**, or the organisation letting a contract in the case of a **transferee admission body**, from becoming responsible for any shortfall in funding should you cease to be a **scheme employer** and be unable to meet your final contribution requirements, we as **administering authority** or, in the case of a **transferee admission body** the employer/department/school letting a contract, are likely to require additional security to be in place. Security should generally be provided in the form of a bond, but other forms of security may be considered, such as Escrow arrangements and Parent Company Guarantees. This can be discussed with Pension Services.

The Regulations require that **admission bodies** carry out an assessment of the level of risk to **the Fund** should their participation within **the Fund** cease due to, for example, insolvency, winding up or liquidation. This assessment must be to the satisfaction of us as **administering authority**, and to the satisfaction of the letting authority in the case of **transferee admission bodies**, having taken account of actuarial advice and hence it is normal practice for us to ask the Fund Actuary to carry out these calculations on your behalf. This is carried out at the same time as your employer contribution rate is calculated and we will use the membership data you have provided.

The **admission agreement** will include that where the level of risk identified is such as to require it, that you will enter into an indemnity or bond in a form approved by us as **administering authority**.

If, for any reason however, it is not desirable for you to enter into an indemnity or bond, you may provide an alternative guarantee also in a form satisfactory to us from:

- a person who funds you in whole or in part; or
- a person who owns, or controls the exercise of the functions of your organisation, or
- the Secretary of State in the case of an **admission body** which is established by or under any enactment, and where that enactment enables the Secretary of State to make financial provision for that **admission body**.

For a **transferee admission body** this could be from the **scheme employer** letting the contract.

We will ask the Fund Actuary to assess the level of a bond required and we will then discuss this further with you if you are applying as a **community admission body** or with the employer/department/school letting a contract in the first instance if you are applying as a **transferee admission body**. In addition, in the case of **transferee admission bodies**, the employer/department/school letting the contract will be asked to act as guarantor. Under **the Regulations** they will also act as security for **the Fund**, responsible for any underfunding that you cannot ultimately meet.

Where it is determined that a bond is required, you will be required to obtain one and provide this to us at the time that you sign the **admission agreement**. This requirement will be included in the **admission agreement** which cannot come into force without it. The value of the bond required will be reviewed at each **triennial valuation** so that the level of the bond remains appropriate as the membership evolves and the funding position is revaluated. The level of the bond may go up or down. The cost of the triennial bond value review will be recharged to **transferee admission bodies** as you are required to keep under review the level of risk arising.

You will be required to maintain a bond until such time as all the liabilities identified in the **cessation valuation** (see Section 9.1) have been paid; the level of bond requirement in the final year of the contract will take this into account.

7.5 Admission bodies – Admission agreements

Once admission to **the Fund** is agreed in principle, it will be effected through an **admission agreement**. This is a legal document which will establish the conditions of admission and needs to be agreed by

- us as the **administering authority** and
- the organisation letting the contract if applicable and, if different,
- you as the new participating employer.

The **admission agreement** will be in respect of the **eligible employees** and can either be open to new employees or closed to new employees.

If you are applying as a **transferee admission body** then only those employees employed on the contract may be a member *and there must be one **admission agreement** for each contract*.

If **admission body** status has been applied for, an **admission agreement** will be drafted by our legal advisors and forwarded for approval by you as the new employer, and by the **scheme employer** or department or school letting the contract. Approval of the draft should be returned to **the Fund's** legal advisors with a copy of the bond if required and the final list of any employees transferring split as required between those in the LGPS and those who are entitled to join.

The **admission agreement** will then be finalised, and three copies forwarded to you and the **scheme employer/department/school** letting the contract, if applicable, for signing and return to **the Fund** for signing and sealing.

Once all parties have signed the **admission agreement**, an original copy will be provided to each party and the agreement will be in place, effective from the date noted within it.

7.6 Admission bodies - Transferee admission bodies (Part 3 1(d) bodies)

This part of **the Regulations** refers to organisations who are taking on a contract from a **scheme employer** and who are obliged to or wish to use the LGPS to provide pension provision to the transferring employees.

It is very important that such an organisation contacts Pension Services prior to the start of the tender process so that costings may be provided for inclusion in the tender process and relevant pension related contractual requirements discussed between the **scheme employer**/department/school letting the contract and the potential contractor so that potential costs are fully understood.

As part of the commercial discussions for the letting of a contract, consideration may be given to limiting the pension contribution requirements of the contracting employer. This can work in a number of ways and may be sometimes referred to for example as a “cap and collar” arrangement or a “pass through arrangement”. Any such arrangements will not form part of the **admission agreement** but would be contained in a “side agreement”. A side agreement is a legal document agreed between the letting authority and contractor. While **the Regulations** describe how contribution rates must be set and a final **cessation valuation** completed, a side agreement enables a letting authority and the contractor to make separate arrangements for how the outcomes will be handled between them in line with commercial arrangements agreed.

The Fund Actuary will set contribution rates and carry out valuations as per normal practice and any adjustments to take account of the side agreement will be made between the two parties involved in it. If actuarial calculations are required to operate the agreement a copy should be provided to **the Fund**.

In accordance with **the Regulations**, a separate **admission agreement** is required for each contract of work. So if you already have an **admission agreement** in **the Fund** in respect of one contract and you gain another contract, a second **admission agreement** will be required for the employees covered by that second contract.

Remember, employees can only be a member of the LGPS if employed in connection with the service transferred. The **admission agreement** may be open to new members or closed to new members. However, as a result of The Best Value Authorities Staff Transfers (Pensions) Direction 2007, certain contractors must include within the **admission agreement** the ability for members who are eligible to be members of the LGPS (i.e. they have worked on the contracted out service let by a Best Value Authority continuously from and including when it was last carried out by that Authority) but have currently opted out, to join the LGPS should they elect to do so while they are employed in connection with the contract.

A broadly comparable scheme may currently be offered to employees covered by the Pensions Direction 2007 in respect of future accrual of service. This is not covered in this manual. Following changes in 2013 to the Government’s pension policy known as “Fair Deal”, further changes may be made to the LGPS which may affect who must be offered membership of the LGPS following the contracting out of their work. Employers and applicants should keep an eye on developments in this area.

The admission process will progress as far as possible in preparation for the ultimate conclusion of the tender process. Once the successful bidder is known, please inform Pension Services as soon as you can so that the **admission agreement**, if required, can be finalised or the process stopped if the LGPS is not to be used. Please do this by submitting an updated admission application form. The employer/department/school letting a contract should confirm if a bond or guarantor is required, whether the **admission agreement** will be open or closed and the date of the transfer. The employer/department/school letting a contract should also provide a final list of all those employees who will transfer identifying those in the LGPS and those not in it but who are eligible. The new employer will need to ensure that the requirements of auto enrolment legislation are complied with for this later group. If there are material changes in any of the information, the Fund Actuary may be requested to recalculate the initial employer contribution rate and bond requirement.

If a broadly comparable scheme is to be used then you should inform Pension Services of the full details of the scheme to be offered. Pension Services will then contact you to explain the next steps involved.

As mentioned earlier in the manual, members with previous LGPS service who are transferred to your employment will have their previous membership automatically transferred to you unless they elect not to within 12 months of joining, or unless they had previously opted out of the LGPS.

In the case of **transferee admission employers** it is normal practice for a pass through arrangement to apply with such employers required to obtain agreement of the **Scheme Employer**/department/school who let the contract prior to making any decisions that affect pension costs.

Further information about ceasing to be a **scheme employer** is given later in this manual in Section 9.

8 Once you are a scheme employer - Administering the LGPS

Once you have been confirmed as a **scheme employer** and any **admission agreement** has been signed and is in force then you are ready to start operating the LGPS for your members.

You will be provided with a number of forms and a guide to administering the LGPS which you should read and familiarise yourself with. As a **scheme employer** there are a number of requirements with which you must comply by law.

You will need to ensure for example that:

- all eligible employees are entered into the LGPS and opt out forms collected for those employees that wish not to remain in it.
- policies on **employer discretions** contained within the LGPS are developed, published and submitted to Pension Services in accordance with the requirements of **the Regulations**, and that the policies are operated correctly and reviewed from time to time. The discretionary provisions provide participating employers with some flexibility to exercise discretion in certain areas. As well as a number of discretions on which you must publish a policy, **the Regulations** contain many other discretions on which the employer must make decisions, but is not required to publish a policy, although they may be advised to formulate one. The use of discretions can carry a cost to you as the employer. Pensions Services will send you a list of discretions requiring a policy to be made, together with explanatory information to assist you.
- contributions (both to **the Fund** and to any Additional Voluntary Contributions providers) are correctly assessed and deducted from members and that employer and employee contributions are submitted monthly on time in accordance with legal and our requirements directly to **the Fund** or AVC provider respectively. This is by the 19th of the month following the month in which contributions are deducted from pay. Late payment of employee contributions is an offence and you can be reported to the Pensions Regulator. **The Fund** also requires that you pay over your employer contributions at the same time. You must also submit, by email to Pension Contributions a monthly form detailing the payments to be made to **the Fund** and a return to the AVC provider detailing the payments they will receive.
- Pension Services is notified of all leavers, changes of hours, absences with reduced or no pay, and various other day to day changes using an administration spreadsheet called "MARS" which Pensions Services will send to you. This must be submitted to Pension Services by the 19th of the month following each payroll.
- a return of all members is submitted to Pension Services detailing contributions paid and other LGPS related information on a regular basis (normally annually) in accordance with our timetable.
- any other requirements set out in our Pensions Administration Strategy are complied with. This may include timescales for the provision of accurate information and data regarding membership changes or any of the items mentioned above. The Strategy is available on our website at:
<https://www.oxfordshire.gov.uk/cms/content/administration-and-performance>
- should any services be contracted out by you, that pension arrangements are made in accordance with prevailing legislation and that you contact Pension Services ahead of any procurement exercise.
- you familiarise yourself with **the Fund's** policies on a variety of issues. These can be found on our website at:
<https://www.oxfordshire.gov.uk/cms/content/local-government-pension-scheme-fund>
- you inform Pension Services of your organisation's automatic enrolment staging or re-enrolment date

Many of these requirements are legal responsibilities or may be detailed in the Pension Administration Strategy referred to above and non-compliance can carry monetary and other penalties.

9 Ceasing to be a scheme employer

When your last active member leaves the LGPS, for whatever reason including when an outsourcing contract finishes or the last active member leaves, you will cease to be a **scheme employer**. Pensions will continue to be paid by **the Fund** to your pensioner members and members without an entitlement to an immediate pension will become deferred members of **the Fund**.

9.1 Cessation valuation

You should be aware that at the point of ceasing to be a **scheme employer**, **the Fund** is obliged by **the Regulations** to ask the Fund Actuary to carry out a valuation to establish your funding position and to charge you for any shortfall in funding at that date. Please note that any surplus funding cannot be refunded.

The basis of the calculation of the **cessation valuation** will be determined by the Fund Actuary who will consider the Funding Strategy Statement (see Section 5.2).

If you know that you will cease to be a **scheme employer** at a future point in time you should liaise with Pension Services as early as you can in order to plan the period to cessation including reassessing the contribution rate being paid to minimise any deficit or surplus by the actual date of you ceasing to participate.

If you are a **transferee admission body**, as part of the admission process you should discuss how the cessation will ultimately be handled with the **scheme employer**/department/school letting the contract. If the liabilities are transferred fully funded at the start of the contract, then these should normally be returned by the **transferee admission body** on a fully funded basis at the end of the contract. However, it is normal practice for a pass through arrangement to apply. See Section 7.6.

Please note that the actuarial/legal costs and Pension Services costs in respect of time spent on dealing with the cessation will be recharged back either to you or the letting authority if applicable.

9.2 Transfer out of pension entitlements

The former active members who have become deferred members may, subject to their new pension scheme being able or willing to accept it, transfer their benefits to another pension arrangement in the future. **The Fund** will arrange for such transfers to be made as they arise.

However, if at the point of cessation the members are moving to another employer, then they may either have the opportunity to transfer to another pension scheme or LGPS Fund, If they are subject to a transfer of employment to another employer using the LGPS their previous benefits will be automatically transferred to the new Fund or participating employer in our **Fund** unless they elect not to transfer, or they have previously opted out of the LGPS, as described earlier in this manual.

It is important that we are informed of the onward movement of employees within the cessation discussions. We will then be able to advise you of the process that will be followed and take account of any immediate transfers in the calculation of the **cessation valuation**.

In the case of **transferee admission body** employers it is normal practice for a pass through arrangement to apply. See Section 7.6. The Fund Actuary will calculate any required figures and negotiate these with the receiving pension scheme or Fund as applicable. You will need to keep adequate records of the data of your employees, including identification of employees who transferred across their employment to you and identification of those who also transferred across their pensions and you will need to provide data for the onward transfer in a timely manner so that it can be taken into account during the bidding process for the subsequent transfer.

10 Pension Services contact details

Pension Services can be contacted at:

Unipart House

Garsington Road

Cowley

Oxford

OX4 2GQ

Tel No: 03300 241359

Email: pension.services@oxfordshire.gov.uk

11 A summary of the steps in the admission process

A high level indicative summary of the steps in the admission process is shown below. Please remember to allow plenty of time for your application to be processed before the date that you require the LGPS to be available. The steps that you are responsible for carrying out are noted in pink and the ones for which others are responsible in navy.

Scheme employers/departments/schools that are letting contracts which may result in a new employer joining the Fund are reminded that they should contact the Pensions Service ahead of any procurement exercise.

- Step 1** Contact Pension Services to confirm the type of body your organisation would be in the LGPS
- Step 2** Complete the admission application form and return it to Pension Services as soon as you can, together with the financial information requested
- Step 3** Send employee data to Pension Services. In the case of an outsourcing of work, include both those in the LGPS and those who are eligible to join
- Step 4** Pension Services send data to the Fund Actuary
- Step 5** Fund Actuary calculates level of any bond required and initial employer contribution rate
- Step 6** Employer/department/school letting a contract and Pension Services consider the information received in Steps 2 and 5
- Step 7** Pension Services inform you of any bond required and the initial contribution rate
- Step 8** Determination is made of whether you will be asked to provide a bond or other security and, if applicable, if the admission application is accepted. Notification is sent to you
- Step 9** In the case of an outsourcing of work, inform Pension Services once the successful bidder is known so that the process can continue or cease as appropriate
- Step 10** Pension Services /Oxfordshire Legal draw up **admission agreement (admission bodies only)** and send it to you
- Step 11** Together with the employer/department/school letting a contract, draw up any side agreement required
- Step 12** Pass signed **admission agreement (admission bodies only)** to Oxfordshire Legal via Pension Services
- Step 13** Pass your organisation's **resolution** designating who may join the LGPS (**designated bodies only**) to Pension Services
- Step 14** Obtain a bond or evidence or other security if required and pass to Pension Services and the employer/department/school letting a contract
- Step 15** Oxfordshire Pension Fund sign and seal **admission agreement (admission bodies only)**, send you a signed copy for your records and inform the Secretary of State of your admission
- Step 16** Pension Services send you a service level agreement and information about administering the LGPS, and informs the Pensions Regulator that you are an employer in the Oxfordshire Pension Fund
- Step 17** Join your **eligible employees** to the LGPS by submitting new starter information to Pension Services
- Step 18** Administer your participation in the LGPS in accordance with **the Fund's** and legislative requirements, including forming policies for your **employer discretions**
- Step 19** Sign up for next advertised quarterly training session for new scheme employers and remember to keep up to date and in touch with Pension Services
- Step 20** Pension Services liaise with the Fund Actuary and you to complete any intra fund or bulk transfer of previous benefits for the LGPS members

Appendix 1 Admission application form

Employer Application to Participate in the Oxfordshire Pension Fund

This form should be completed by all organisations who may wish or be required to become a participating employer in the Local Government Pension Scheme (LGPS) in the Oxfordshire Pension Fund, or if you are letting some work and do not yet know who the successful bidder is or if they will use the LGPS. The application process can be lengthy and you are advised to complete and submit the form as soon as you are able to and with as much information as you have available. Updated copies may be submitted as further information becomes available.

The form should be returned to Pension Services at: Unipart House, Garsington Road, Cowley, Oxford, OX4 2GQ Email: pension.services@oxfordshire.gov.uk

Please read the accompanying Employer Admission Manual (the Manual) prior to completing and submitting this form.

I confirm that I have read the Employer Admission Manual

I agree to pay the costs that will arise from this application (see section 2 of the Manual) whether or not the application is successful.

This is the 1st / 2nd / 3rd / ____ (please circle or complete the applicable number) form that I have submitted in connection with this application. The previous form, if applicable, was submitted on _____

Application Details

Please see section 1.3 of the Manual and contact Pension Services to determine the type of employer you are applying to participate as. Contact details are given above. This has been determined as a:

Scheduled body

Designated body

Admission body: Community admission body

Transferee admission body

Length of contract for outsourced work: _____

Details of any contract extension provisions: _____

Name of employer letting outsourced work: _____

Contact details of employer letting outsourced work:

Name: _____ Position: _____

Email: _____ Telephone: _____

Address: _____

_____ Post Code: _____

We wish to commence as an employer in the Oxfordshire Pension Fund on: _____

We are applying because: _____

Please confirm if you have entered into a pensions "pass through arrangement" (see section 7.6 of the Manual) with the employer letting the contract:

No Under discussion
Yes and I confirm that the details are attached

Employer Information

Official registered name (as registered at Companies House): _____

Trading name: _____

Legal status of organisation: _____

Registered Company Number: _____ Charity Number: _____

Registered address: _____
_____ Post Code _____

Operational address of employer seeking admission: _____
_____ Post Code _____

I attach:

- copies of our Companies House/Charity Commission etc/as applicable certificates evidencing our name and numbers
- Memorandum and Articles of Association
- Department of Education Funding Agreement (Academies only)

Employee Information

Number of employees anticipated to join the LGPS initially: _____

Further employees will be able to join the LGPS on an ongoing basis: Yes No
NB Some employers do not have a choice (see section 1.3 of the Manual)

The initial employees are currently employed by: _____

and participate in the following pension scheme: _____

and if applicable the following LGPS Fund: _____

On receipt of your form, Pension Services will send you the current template to enable you to return information (see section 4 of the Manual) about the initial prospective members so that employer contribution and bond rates may be determined. If you are applying in connection with the outsourcing of work, or following a statutory or organisational change such as conversion to Academy status, please include the information requested on the template for those employees currently in the LGPS and those eligible to join it.

Financial Information

I attach the organisation's:

- last three years audited annual report and accounts
- the business plan and proposed budget in the case of a new organisation

If any of these are not available, please state the reason here: _____

Contact Information

Please provide the details of the person making this application and with whom the application may be discussed and further information obtained.

Name: _____ Position: _____

Email: _____ Telephone: _____

Address: _____

Post Code: _____

I confirm that I am authorised to make this application:

Signed: _____ Date: _____

Closing an Application

We no longer wish to proceed with our application to become a participating employer in the Oxfordshire Pension Fund because:

If applicable, we will be providing the following pension scheme to our employees:

Signed: _____ Date: _____

Please note that an invoice will be sent to you for application costs whether or not an application proceeds to completion.

Appendix 2 Glossary

Term in this Manual	Definition
Administering authority	Oxfordshire County Council (being a body listed in the Regulations which is required to hold a Fund for the purposes of the Regulations).
Admission agreement	An agreement between an administering authority and an admission body that named individuals or all or any specified class of the admission body's employees may be members of the LGPS
Admission body	A body described in paragraph 1 of Part 3 of Schedule 2 of the Regulations . See also Section 1.3 of this manual
Automatic enrolment date	The date which an employee is joined to a pension scheme under automatic enrolment legislation
Cessation valuation	A valuation that the Regulations (regulation 64) require to be carried out upon a scheme employer ceasing to participate in the LGPS. See Section 9.1
Community admission body	Term previously used for the type of admission body now falling under Schedule 2 Part 3 (other than a 1 (d) body) of the Regulations A not for profit organisation providing a public service. See also Section 1.3
Deemed employer	A body described in Part 4 of Schedule 2 of the Regulations . See also Section 1.3 of this manual
Designated body	A body described in Part 2 of Schedule 2 of the Regulations . See also Section 1.3 of this manual
Eligible employees	Employees who may join the LGPS. This can vary between employer type. See Section 1.3
Employer discretions	Provisions within the LGPS which the employer may choose to exercise. A written policy statement is required for some provisions within the Regulations

Term in this Manual	Definition
The Fund	<p>The Oxfordshire Pension Fund.</p> <p>Every administering authority in England and Wales is required under the Regulations to hold a Fund into which employer and employee contributions and investment returns are paid and out of which pension benefits and operational expenses are made</p>
Pensionable pay	<p>Is defined in regulation 20 of the Regulations and if applicable in regulation 21 (assumed pensionable pay)</p> <p>NB a different definition applies for pre 1 April 2014 service</p> <p>See Appendix 3, Web Links</p>
The Regulations	<p>The Local Government Pension Scheme Regulations 2013 (as amended)</p>
Resolution	<p>The resolution made by a designated body to designate which employees may participate in the LGPS. Each designated body must make a resolution. See also Section 7.2</p>
Scheduled body	<p>A body described in Part 1 of Schedule 2 of the Regulations. See also Section 1.3 of this manual</p>
Scheme employer	<p>A body listed in Schedule 2 of the Regulations employing an employee who is eligible to be a member of the LGPS. See also Section 1.3 of this manual</p>
Transferee admission body	<p>Term previously used for a type of admission body now falling under Schedule 2 Part 3 1 (d) of the Regulations</p> <p>An organisation providing services as a result of a transfer of services. See also Section 1.3</p>
Triennial valuation	<p>A valuation that the Regulations (regulation 62) require to be carried out every three years to set the employer contribution rates for the three years commencing one year after the triennial valuation date. See also Section 5.2</p>

Appendix 3 Web Links

Topic	Web Link
Oxfordshire Pension Fund	
Oxfordshire County Council Pension	https://www.oxfordshire.gov.uk/cms/public-site/pensions
Funding Strategy Statement and Policies	https://www.oxfordshire.gov.uk/cms/content/local-government-pension-scheme-fund
Pensions Administration Strategy	https://www.oxfordshire.gov.uk/cms/content/administration-and-performance
Regulations	
Local Government Pension Scheme Regulations 2007 (as amended) (i.e. for the 2008 LGPS) Pensionable pay definition – see regulation 4 of The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007	http://timeline.lge.gov.uk/
Local Government Pension Scheme Regulations 2013 (as amended) (i.e. for the 2014 LGPS) Pensionable pay definition – see regulations 20 and 21	http://lgpsregs.org/index.php/regs-legislation/timeline-regulations-2014
LGPS related information	
Local Government Pension Scheme member information	http://www.lgps2014.org/
Local Government Pension Scheme 2013 regulations and guidance (for the 2014 LGPS)	http://lgpsregs.org/

Topic	Web Link
Contracting out work pensions information	
The Best Value Authorities Staff Transfers (Pensions) Direction 2007	Available on a variety of websites
Fair Deal	http://lgpsregs.org/index.php/dclg-publications/other-guidance https://www.gov.uk/staff-transfers-public-service-pension-schemes
Organisations with an LGPS governance role	
Department for Communities and Local Government	https://www.gov.uk/government/organisations/department-for-communities-and-local-government
The Pensions Regulator	http://www.thepensionsregulator.gov.uk/