



LGPS EMPLOYER OUTSOURCING ENQUIRY FORM

You have requested information from the Leicestershire County Council Pension Scheme Administrators as you are considering outsourcing LGPS members (and/or eligible non-members) to a private company without a comparable pension scheme as certified by the Government Actuaries Department (GAD) and need to ensure that the legally required pension protection for transferring employees is in place.

The information that you need and we will provide for you will consist of:

1. Prospective employer rate for the new company (this could be higher than the rate of the current employer)
2. Details of any bond securities that will be required by the pension fund
3. Copies of the admission agreement and bond document

The rate and bond information should be available for you in approximately 6-8 weeks.

I must stress that all the legal documents and bond (if required) must be completed and all legal and financial obligations are met, before the staff members move across.

In order to provide you with this information I require the following information.

PLEASE COMPLETE ALL SECTIONS

Name of letting employer

Description of outsourced job area (e.g. Catering contract, School Foods, IT contract)

Name of Company

Contact for letting employer (Name)

(Email)

Contact For Company (Name)

(Email)

You will both be sent a template copy of the admission agreement and bond document for your information and comment.

Expected length of Contract

PROPOSED TRANSFER DATE

(It is recommended that this be at least 3 months away)

DOES THE NEW COMPANY WISH TO BE A CLOSED SCHEME?

(i.e. The arrangement just covers the transferring staff and no one else) or an open scheme.

YES or NO

EMPLOYER DECLARATION

I CONFIRM THAT THE FOLLOWING STATEMENTS ARE TRUE

I am instructing the Pension Fund to commission actuarial work to take place.

I confirm that the letting employer will make payment of the costs after the completion of the transfer. This will cover both actuarial costs and legal costs. The cost will be in the region of £5,000 plus VAT.

I confirm that I have read the LGPS Briefing note on outsourcing. A comparable scheme is not appropriate or available, and therefore I am preparing for the company to request LGPS membership as an Admission Body in the Leicestershire County Council Pension Fund.

I am aware of the timescales, responsibilities, and potential costs for all parties as detailed in the Briefing note.

Name

Job Title

Signed

Date

I AGREE TO COMMISION THIS WORK

Should a transfer take place without instructing the Pension Section, the letting employer will have to meet the actuarial and legal costs, otherwise the staff will have to transfer back and the TUPE becomes null and void.

ADDITIONAL INFORMATION THAT IS REQUIRED

ATTACHMENT NEEDED:

A LIST OF THE TRANSERRING EMPLOYEES MUST BE ATTACHED. PLEASE SHOW WHO ARE LGPS MEMBERS AND WHO ARE NOT CURRENTLY LGPS MEMBERS. PLEASE SHOW NAMES AND NATIONAL INSURANCE NUMBERS.

REQUIRED BOND SECURITIES:

I also need your confirmation whether the existing employer will act as guarantor*. If not, protection of pension fund liabilities still needs to be in place, and therefore a full bond will be required. The company would need to set this up prior to the transfer.

***What is a guarantor?**

Only a tax raising body can act as guarantor. With the Secretary of State reluctant to act as guarantor for academies, this does not apply to academies.

Not acting as guarantor/Unable to act as guarantor?

This will therefore form part of the actuarial work, and this, along with the employer's contribution rate will be calculated for you to pass onto the potential company.

Redundancy protection bond:

If any of the members are over age 55, redundancy protection will also be factored into these bond calculations. A bond for members over age 55 for redundancy protection will still be required, even if a guarantor is in place. The Pension Section can calculate the bond value in this instance.

THEREFORE, IS THE EXISTING EMPLOYER ACTING AS GUARANTOR?

(please tick)

YES or NO

Important contacts:

Overall LGPS responsibility: ian.howe@leics.gov.uk

Legal questions: mariana.gashi@leics.gov.uk

Pensions administration and support: derrick.edwards@leics.gov.uk

I must once again stress that all the legal documents and bond (if required) must be completed and in place, before the staff members moves across.

