

Application information for prospective academies*

For the purposes of this document, academies also refers to free schools

This document aims to provide prospective academies with:

1. background information about academies and the LGPS;
2. details on how and when to apply to GMPF to join;
3. how to complete the academies application form.

1. Background information about academies and the LGPS

1.1 The LGPS regulations concerning academies

Academies are required to offer their non-teaching staff membership of the Local Government Pension Scheme (LGPS) under the terms of their funding agreement with the Secretary of State for Education. Academies are listed in Schedule 2 Part 1 of the LGPS Regulations 2013, and are therefore a 'Scheme employer' and automatically take part in the LGPS.

1.2 Academies guidance

The Department for Education (DfE) first issued a briefing note for schools in August 2010, which set out some of the implications of becoming an academy. This and further information can be found on the DfE website. The Department for Communities and Local Government (the Government department responsible for the LGPS) has issued a 'Frequently Asked Questions' document about academies and the LGPS, the latest edition of which can be found under the 'Other important documents and information' section on our 'Becoming a GMPF Employer' webpage.

1.3 The 'Guide for Prospective Employers'

We recommend that before completing your application to join, you read through our guide entitled 'Guide for Prospective Employers'.

2. Details on how and when to apply to GMPF to join

2.1 Apply by completing and submitting the application form

You need to complete and submit our 'Academy Application Form' (AF2 – Version3) when you are preparing to become an academy. You will need to download the form and complete it following the guidance in section 3 below.

2.2 Liaise with ceding local authority if applicable

If you are currently a school falling under the responsibility of a local authority then you will need to liaise with that local authority in order to complete the form. You must do this before submitting the form to GMPF.

2.3 How to submit the form to the Pensions Office

Once you have completed the form, please send a scanned copy by e-mail to ect@gmpf.org.uk.

2.4 Recommended timescales for downloading and reading the pack and for completing and returning the application form

As you will see from the Government's guidance, it is recommended that you arrange pension provisions at the earliest possible stage. We recommend that you read our 'Guide for Prospective Employers' and the application form and notes below as soon as you are considering converting to academy status.

We suggest that you complete and submit the application form as soon as you have all the information you need to do so. We would expect this to be at least two months before your conversion date.

3. How to complete the academies application form

This section provides step-by-step notes to assist you in completing the application form.

Part A – This section of the form needs to be completed by the prospective academy

Section 1 - Information about the academy

- 1.1 This must be the official name of the academy, as registered with Company House.
- 1.2 If the academy is to be part of an academies trust, please state the name of the trust. If not, please leave this blank.
- 1.3 When the academy has been registered with Company House, it will be issued with a Company Registration Number. Please provide this number here. If the academy is to be part of an academies trust, please give the registration number of the trust.
- 1.4 Please provide the full postal address of the new academy, including the postcode.
- 1.5 This should be the general e-mail address of the new academy.
- 1.6 Please confirm the LEA within which the academy will operate (so that we can check that you are applying to the correct LGPS Fund).
- 1.7 The official date that the academy starts operating will be the date that the academy enters GMPF.
- 1.8 Please state if there is an existing school converting to become this academy.

1.9 If so, please provide the name of the school.

1.10 If you have answered 'Yes' to 1.8 please state if the employees of the current school are employed by the local authority or by the governing body of the school. If employees are transferring from the local authority or current school governing body to the new academy, then GMPF needs to be aware in order to ensure its records are correct and to review any outstanding issues.

Section 2 – Contact details for the person making this application

2.1 to 2.4 It is important that GMPF has contact details for the person making this application in order to be able to resolve any queries or questions that may arise in processing the application.

Section 3 - Information about the academy's pension function

3.1 As an employing authority you will be responsible for carrying out your pension function as defined within the LGPS regulations. You can however delegate some or all of your responsibilities to a third party to carry these out on your behalf. Please state here whether you or a third party will be the main contact for your day-to-day employing authority matters and provide the contact details that GMPF should hold.

3.2 As an employer in the GMPF your main pension administrator will be required to adhere to the LGPS Regulations and GMPF procedures including the Pension Administration Strategy. You must ensure that they have access to the Employers website where this information can be found, along with notes from previous employer training sessions. The LGA provide employer training, details of which can be found on their website.

By ticking this box you are committing to ensure that the main pension administrator will have access to the necessary information required to properly carry out their role.

3.3 If you are to delegate some or all of your pension function to the local authority or other third party then we require your written authority to deal with them and to provide them with access to your employees pension records should they request it. Please therefore confirm if you authorise this access to be given.

Section 4 - Accounting information

4.1 GMPF's accountancy section will need to know if you are required to show pension costs within your accounts in accordance with Financial Reporting Standard 102 (FRS102) or International Accounting Standard 19 (IAS19) in order to provide you with the information you require regarding this. If you are unclear on whether or not this is required then you should discuss this with your auditors.

4.2 GMPF's accountancy section will also need to know the date on which your accounting year ends in order to provide you with the relevant information in time.

4.3 Please state here the date when your first accounts are due.

Part B – This part of the form needs to be completed by the prospective academy and any ceding employer if and where necessary

Section 5 - Pension costs

5.1 There are three possible options, outlined below, when it comes to deciding how pension costs will be managed. GMPF allows employers to be ‘pooled’ together where employers request and agree to pool together, and where the Fund decides it would be in the employers and GMPF’s interests to do so.

When employers are pooled, their assets and liabilities are grouped together for the purposes of determining their future contribution rates. Generally, pooling enables greater stability of contribution rate and, depending on the arrangement, can enable costs such as those generated through ill health retirements to be ‘shared’ by the pool and to be taken account of as part of the future contribution rate, rather than being paid for up front.

Pooling is agreed to by GMPF on the basis that contribution rates are determined by the aggregate funding position of the pool.

a) Stand alone

If you do not wish to be pooled or your local authority or trust will not agree to pooling then you will be a ‘stand alone’ employer. If this applies to you, please tick the third box. Again, all costs incurred as a result of early retirements (including ill health costs) are to be paid for up front by the academy.

b) Local authority pooling

Some local authorities will allow an academy to be pooled with them for pension purposes. Where you have agreed this with your local authority then you should tick the first box. In doing so GMPF will assume that the academy is to be placed in that local authority’s actuarial pool and will pay the same minimum employer contribution rate as the pool. We will also assume that capital (strain) costs for any ill health retirements will be treated as a pool charge (with GMPF looking to the local authority to account for any aggregate overspend), but that the capital costs of any non-ill health early retirements or augmentation of membership or pension will be paid by the academy to GMPF up front.

c) Multi Academy Trust pooling

If you are an academy that is to be part of an academies trust, then you may wish to pool together with the other academies within your trust. You should confirm this and the terms of the pooling arrangement with your trust and tick the second box. Unlike the above Local authority pooling option, all costs incurred as a result of early retirements (including ill health costs) are to be paid for up front by the academy.

Those employers that are responsible for their own ill health costs may be interested to know that our Actuaries, Hymans Robertson have developed LGPS ill health retirement cover in conjunction with Legal & General. Further information can be found here [Becoming a GMPF employer](#) (under the Incapacity Retirement of Employee Members document in the Other important documents and information section).

Section 6 - Transfer information

- 6.1 If the employees of the prospective academy are to transfer from the local authority or governing body then we will need to know in order that our pension records can be updated. If you have indicated that you are a brand new academy opening for the first time i.e. not a school that has converted to academy status, and you have no employees transferring from the local authority or governing body at the outset please ignore questions 6.2, 6.3 and 6.4. and go to section 7.
- 6.2 If the school is already treated as a separate employer within GMPF then it is our policy to transfer all the existing assets and liabilities attached to the school to the academy when it opens and the existing school closes. Please tick here to confirm that you agree to this approach.
- 6.3 If employees are transferring from the local authority then a decision needs to be made regarding the transfer of assets from the local authority to the academy. There are several possible options.
- a) Fully funded
Liabilities associated with the transferring members are transferred to the new employer with sufficient assets to fully fund the liabilities. The new employer will be 100% funded at the outset (on an ongoing actuarial basis) and start in a neutral position.
 - b) Funded in line with the solvency of the local authority
Liabilities associated with the active transferring members are assessed and the amount of assets transferred are in line with the solvency of the ceding employer, as estimated at the date of transfer. The opening funding level of the new academy will therefore be the same as that of the local authority with any past service deficit relating to the transferred active liabilities passing to the academy. All responsibility for, and any deficit relating to the former employees of the school, who are either deferred or pensioner members, is retained by the local authority.
 - c) Funded assuming the liabilities remaining with the local authority are fully funded
Liabilities associated with active, deferred and pensioner members will be calculated in this scenario. The total assets associated with the active, deferred and pensioner members will be calculated in line with the solvency of the ceding local authority at the date of transfer. The deferred and pensioner liabilities will remain with the local authority on a fully funded basis. The transferring active member liabilities will transfer with the total assets (as previously defined) less the assets retained by the ceding employer once the deferred and pensioner liabilities have been fully funded. The employer would therefore open with a funding position which is lower than that of the ceding local authority.
 - d) Other
An alternative to the above may be agreed upon and if that is the case then please indicate here and give details of the agreed funding basis of the transfer.
- 6.4 If employees are to transfer either from the governing body of the existing school or from the local authority then you must provide a list of those employees. This must be done using the GMPF template spreadsheet and the ceding employer must check this list to ensure it is correct. If the list is incorrect or incomplete then employee pension records may be incorrect and you may be charged for any rework required to correct them.

Section 7 – Declaration and authority

Please ensure this section is completed and signed before returning to GMPF. If you are a brand new academy opening for the first time i.e. not a school that has converted to academy status, then unless you have entered into a pooling arrangement with the local authority, please ignore the box asking for a ceding employer to verify and sign the application form.

Checklist

The final section is a checklist to help you to ensure that your application is correct and complete.

Please complete this as part of your application and return it with the form.