

***Application information for prospective Admission Bodies
falling under Schedule 2 Part 3 1(d) (i)
(formerly known as Transferee Admission Bodies)***

This document aims to provide prospective admission bodies with:

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

1. Background information about admission bodies and the LGPS

1.1 The LGPS regulations concerning admission bodies

[Schedule 2, Part 3 of The LGPS Regulations 2013](#) details the admission bodies with whom GMPF may make an admission agreement;

- (a) a body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise);
- (b) a body, to the funds of which a Scheme employer contributes;
- (c) a body representative of—
 - (i) any Scheme employers, or
 - (ii) local authorities or officers of local authorities;
- (d) a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of—
 - (i) the transfer of the service or assets by means of a contract or other arrangement,
 - (ii) a direction made under section 15 of the Local Government Act 1999 (Secretary of State's powers),
 - (iii) directions made under section 497A of the Education Act 1996;
- (e) a body which provides a public service in the United Kingdom and is approved in writing by the Secretary of State for the purpose of admission to the Scheme.

Most admission bodies fall under Schedule 2, Part 3, 1(a) or 1 (d) (i).

Schedule 2, Part 3, 1(a) (formerly known as a community admission body) is a body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the

operations of the body are dependent on the operations of the Scheme employer or otherwise).

It is admitted to the Fund by way of an admission agreement.

Schedule 2, Part 3, 1 (d) (i) (formerly known as a transferee admission body) is a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of the transfer of the service or assets by means of a contract or other arrangement.

It is a commercial entity and is admitted to the Fund by way of an admission agreement.

1.2 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 the relevant application form depending on which regulation you are applying under. You will need to download the form and complete it following the guidance in section 3 below.

It is important to note that under the LGPS regulations, if a Schedule 2, Part 3, 1 (d) (i) (formerly known as a transferee admission body) is exercising the functions of a Scheme employer in connection with more than one contract then a separate application and admission agreement must be made in respect of each of those individual contracts. One admission agreement cannot cover more than one contract or arrangement.

The regulations also require you to carry out a risk assessment, taking account of actuarial advice. You will need to do this before submitting your application. Please see the notes for section 8 of the form for more information about this.

2.2 Liaise with ceding employer (and scheme employer if they are not the ceding employer)

In order to complete the form, you will need to liaise with the Scheme employer with whom you are making the admission agreement. If employees are going to be transferring to you then you will need to liaise with the ceding employer 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

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 tendering for a contract. We strongly recommend that you consider the issues during contract negotiations and that you complete and submit the form as soon as you are able to do so.

We recommend 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 the effective date that you have stated in section 9.4 of the form.

3. *How to complete the Schedule 2, Part 3, 1 (d) (i) (formerly known as Transferee Admission Bodies) 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 admission body

Section 1 - Information about the admission body

- 1.1 This must be the official name of the employer applying to become an admission body, as registered with the agency named in 1.3.
- 1.2 Please indicate the company type.
- 1.3 Please indicate with whom the body is registered.
- 1.4 When an employer registers with Company House or the Charity Commission, it is issued with a Company Registration Number or Charity Registration Number. Please provide this number here.
- 1.5 Please provide the full postal address of the employer, including the postcode.
- 1.6 This should be the general e-mail address of the employer if there is one.

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 admission body's pension function

- 3.1 As you are aware, 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), International Accounting Standard 19 (IAS19) or other financial reporting standard 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.

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

Section 5 – Eligibility for admission

5.1 Please give details of how you meet the criteria laid out in Schedule 2, Part 3, 1 (d) to be eligible to join GMPF. This is relevant if you are;

'a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of the transfer of the service or assets by means of a contract or other arrangement.

If this regulation does not fit with the nature of your organisation then please read the [regulations](#) to determine the correct regulation and complete the corresponding application documents from our [website page](#).

5.2 Please state the Scheme employer with whom you are making the admission agreement.

5.3 The Scheme employer must be willing to be party to the agreement and be in a position to sign the admission agreement drafted. Please confirm that the scheme employer has agreed to make an admission agreement.

5.4 – 5.6 Please state what the contract period is, provide details of the parties to the contract and state the date it will be signed.

5.7 Please provide a brief description of the services that are to be provided by the admission body in relation to the contract undertaken.

Section 6 – Pension costs and agreements made

6.1 Please give details of the agreements made between the prospective admission body and the Scheme employer regarding pension costs.

The options stated in (i), (ii) and (iii) are the most common agreements made regarding costs. However, if a different agreement has been reached please provide us with details of this in part (iv).

GMPF allows employers to be ‘pooled’ together in instances 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, dependent on the arrangement, can enable costs such as those that are generated through ill health retirements to be ‘shared’ by the pool and 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.

Where either option (i) or (ii) has been agreed, the employer contribution rate applicable for the admission body is already pre-agreed either as part of the Actuarial Valuation in the case of option (i), or the employers contract with the scheme employer (or equivalent) in the case of option (ii). In each of these scenarios, the scheme employer is bearing the risk associated with the liabilities in respect of the members.

With option (iii), the admission body will not know the contribution rate due until the actuary has conducted the assessment and the admission body bears all of the pension risk. Any strain costs incurred in respect of ill health retirements, redundancies and transfers will all need to be paid for up front by the admission body. On termination of the contract, the assets and liabilities associated with the members will be assessed and any shortfall will need to be paid by the admission body immediately.

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).

6.2 If option (i) or (ii) applies and pooling has been agreed then the basis of the pooling arrangement needs to be stated here. The default position is as stated. However if a different agreement has been reached then this needs to be detailed here.

6.3 Please confirm the agreement type here, ticking one option only.

- If membership for the LGPS is to be open to all eligible employees then please tick 'Open'.
- If the agreement is restricted to just those employees listed in the schedule then please tick 'Closed'.
- If the agreement is restricted to those members listed in the schedule plus any others who are nominated by the admission body and whose nomination is agreed to by both the Scheme employer and the Administering Authority then please tick 'Open – but restricted'.

Section 7 - Transfer information

7.1 If employees are to transfer from the Scheme employer or from another employer then we will need to know in order to resolve any pension matters. Please tick the relevant box.

7.2 If the ceding employer is another admission body within GMPF or is an employer outside of GMPF (for example if employees are transferring from another LGPS Fund, public sector scheme or other pensions scheme) then please provide details of this here.

7.3 If employees are transferring from the Scheme employer or from another employer who is a Scheme employer in GMPF then a decision needs to be made regarding the transfer of assets from the ceding employer to the new employer.

The most common agreement made for bodies falling under Schedule 2, Part 3, 1 (d) (i) (formerly known as transferee admission bodies) is that assets are transferred on a fully funded basis, meaning the admission body starts at a neutral funding position.

However, it may be that both parties reach a different agreement in respect of the funding level of the transfer, and if this is the case, details of the agreement should be given here. The transfer funding basis opted for should be given careful consideration by all parties particularly if the employer is to be stand-alone and therefore must make good any funding shortfall upon termination of the agreement. GMPF will consider requests for a transfer basis other than fully funded but will only give agreement if it does not result in GMPF, the ceding employer or the admission body being exposed to additional risk.

7.4 If the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("the TUPE Regulations") apply, or if a transfer is treated as if it were a relevant transfer within the meaning of regulations 2(1) and 3 of the TUPE Regulations (notwithstanding regulation 3(5) of those regulations), then please tick 'yes' here.

7.5 If employees are to transfer from a ceding employer then you must provide a list of those employees. This must be done using the GMPF template spreadsheet and the Scheme or 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 re-work required to correct them. The staff list will form the part of the admission agreement in the form of a schedule which designates who has eligibility to be a member.

Section 8 – Risk Assessment

8.1 The LGPS regulations require the admission body to carry out a risk assessment, taking account of actuarial advice.

If you and the Scheme employer have agreed to actuarial pooling and that on termination of the contract, all assets and liabilities will revert back to the Scheme employer (i.e. option (i) or (ii) in section 6.1) then you may wish to complete our 'Standard Risk Assessment form'. You can download this from the website.

If you and the guarantor have not agreed to actuarial pooling but you have agreed that on termination of the contract, all assets and liabilities will revert back to the Scheme employer then you can also use the 'Standard Risk Assessment form'.

If you are to be a 'stand alone' (non-pooled) employer and there is to be no provision for the assets and liabilities to revert to the Scheme employer upon termination of the contract or if you have made other arrangements about how pension costs should be dealt with (i.e. option (iii) or (iv) in section 6.1) then you will need to perform a risk assessment, taking account of actuarial advice.

You can engage your own actuary to undertake a risk assessment for you or we can request that the Fund's actuary (Hymans Robertson) undertake this work for you. If you decide to engage your own actuary then please be aware that further costs may be incurred if we determine that our actuary needs to review the risk assessment which you have submitted. If you would like to request that our actuary undertake a risk assessment on your behalf then please contact us.

You should attach a copy of the completed assessment to your application.

8.2 Once obtained, you should discuss the assessment with the Scheme employer and reach an agreement on the security measures that are to be put in place. You must attach details of your agreement to your application.

8.3 Details of the body willing to guarantee the admission body should be given here.

Please note – Should a scheme employer providing a guarantee to the admission agreement request that a bond is obtained by the admission body; this is a separate arrangement outside of our admission agreement and should not delay completion.

Section 9 – Signing of the admission agreement

9.1 Please complete details of who will sign the admission agreement for the prospective admission body.

9.2 Please confirm who will sign the admission agreement at the Scheme Employer.

9.3 Please confirm if your company will execute the legal document under a company seal.

9.4 Please confirm the date that you wish the admission agreement to be effective from.

Please note - that if the effective date is in a previous tax year we will not usually backdate an admission agreement. This means that the effective date will become the date the admission agreement is completed by our legal team. This means the staff involved will have a break in their pensionable service unless there are exceptional circumstances. In these instances the application will be referred for a final decision.

Section 10 – Declaration and authority

Please ensure this section is completed and signed before returning to GMPF.

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.