

**Application information for prospective Admission Bodies
falling under Schedule 2 Part 3 1(e)
(approval to join given by the Secretary of State)**

This booklet aims to provide prospective admission bodies with:

1. Condition of obtaining admitted body status with the GMPF;
2. Background information about admission bodies and the LGPS;
3. Details on how and when to apply to the Fund to join;
4. How to complete the application form.

1. Condition of obtaining admitted body status with the GMPF

It is important to note that a condition of obtaining admitted body status with the GMPF is the provision of a Guarantee from the MOJ for the pension liabilities. Whilst GMPF liaise with the Secretary of State to arrange the guarantee document, **before this**, the CRC and subcontractor should have entered into a subcontract which is deemed by the MOJ to comply with their requirements.

Furthermore, the subcontract should include provisions equivalent to those in paragraphs 2, 4.1 and 4.5 of the Industry Standard Partnering Agreement: Pensions.

The Contractor is also expected to issue a certificate to the MOJ and GMPF providing a number of confirmations in respect of the Subcontractor and the Eligible Employees.

The above items are conditions referred to in the document titled;

Ministry of Justice
Community Rehabilitation Companies Guidance
on the obligations of CRCs and their subcontractors in relation to the Local Government Pension Scheme and arranging the Pensions Guarantee to be provided by the Secretary of State for Justice.

The conditions must be satisfied before an admission agreement can be entered into.

We recommend that you contact a member of the MOJ's Director of Commissioning team or your Contract Manager to ensure that the above matters are progressed as soon as possible. They will be able to provide you with a copy of the guidance referred to above. You can also find a copy of the guidance on our website at <http://www.gmpf.org.uk/employer.htm> Alternatively, on request, the ECT team at GMPF can provide you with a copy of the guidance if required. Please note that GMPF cannot assist you with this part of the procedure or answer any questions about the guidance as this is a document owned by the MOJ.

2. Background information about admission bodies and the LGPS

2.2 The LGPS regulations concerning admission bodies

[Schedule 2, Part 3 of The LGPS Regulations 2013](#) detail 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.

CRC subcontractors fall under Schedule 2, Part 3, 1(e). Approval is to be obtained by the Secretary of State for Communities and Local Government. GMPF will liaise with the Secretary of State to obtain this approval for you upon receipt of the completed application form and submission of a copy of a signed MOJ Contractors Certificate.

2.2 The 'Guide for Prospective Employers'

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

3. Details on how and when to apply to the GMPF to join

3.1 Apply by completing and submitting the application form

You need to complete and submit the relevant application form for CRC subcontractors.

You will need to download the form from our website and complete it following the guidance in section 4 below.

It is important to note that if you are exercising the functions of more than one CRC 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 obtain a guarantee prior to entering the Fund from the Secretary of State for Justice. A guarantee will need to be signed by the Secretary of State for Justice, Tameside Metropolitan Borough Council (as administrator to GMPF) and you, the Subcontractor. We will arrange for this to be obtained on your behalf as part of processing your application. However, we must have a signed copy of the MOJ Contractors Certificate before we can do this. The MOJ Contractors Certificate must be signed by the ceding employer (CRC) and must be sent to the Secretary of State for Justice and GMPF must be provided with a copy. GMPF require the copy of the MOJ Contractors Certificate to be supplied at the same time as your application form.

3.2 Liaise with ceding employer (CRC)

In order to complete the form, you will need to liaise with the CRC with whom you are making the admission agreement. As employees are going to be transferring to you then you will need to liaise with the CRC in order to complete the form. You must do this before submitting the form to the GMPF as both parties are required to sign our application form and the staff lists.

Please note you will also need to liaise with the CRC to ensure they provide you with a signed copy of the MOJ Contractors Certificate so that you can send a copy to us when you submit your application documents.

3.3 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.

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

It is recommended that you address pension matters 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 would 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 the date you have stated in section 9.4 of the form.

4. How to complete the Schedule 2, Part 3, 1 (e) (CRC Subcontractor) 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 the 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 have the responsibility to carry 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 CRC 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. We suggest you discuss this with your accountant if you are unclear of your requirements.

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 signed by both the prospective admission body and the CRC.

Section 5 – Eligibility for admission

This application is being made under Schedule 2, Part 3, paragraph 1(e) of the LGPS 2013

Regulations.

- 5.1 Please state the CRC from which the services are being subcontracted.
- 5.2 The CRC 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.
- 5.3 – 5.5 Please state what the contract period is, provide details of the parties to the contract (usually the subcontractor and the relevant CRC) and state the date it will be signed.
- 5.6 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

The terms of the agreement regarding pooling, costs, termination and the provision for new members have already been determined and therefore this section is for information only.

The admission body shall be pooled with all admission bodies engaged in the provision of probation services (including all subcontractors of the services) and shall pay the pooled contribution rate.

Any additional costs in respect of early retirements of any employees (whether on the grounds of ill health or otherwise) shall be paid for by the admission body.

Upon termination of the admission agreement with GMPF, the subcontractor will be responsible for paying to the Administering Authority all employee and employer costs including those arising in respect of the CRC's employer specific experience as detailed in the admission agreement (referred to as Pension Related Discretionary Action). Specifically,

- higher than assumed pensionable pay increases;
- any early retirement benefit granted on redundancy or for reasons of business efficiency;
- any early retirement benefits generally, whether or not for reasons of ill-health;
- awards of added years, or added pension or any additional costs in relation to employees taking flexible retirement; and
- any other costs arising from any act or omission by the outgoing CRC

It is not intended that an exit debt should become payable in relation to the ordinary benefits that have accrued to the members during their employment with the exiting subcontractor.

The admission agreement shall be deemed closed to new entrants except for 'Grace Period Employees'. Grace period employees are defined as persons whose employment with the Admission Body commences within the 12 month period immediately following the date upon which the CRC transfers from the ownership of the Secretary of State for Justice into the ownership of the contractor (01/02/2015), and who was:

- employed by another admission body or a Scheme employer engaged in the provision of probation services at the date which ownership transferred, and;
- an active member (or eligible to be an active member) in that employment

Section 7 - Transfer information

It has been agreed that all transfers of employees from CRC's to subcontractors shall be fully funded on an on-going valuation basis. This means that the admission body starts in a

neutral funding position on an on-going actuarial valuation basis.

It should be noted that it does not mean that the subcontractor will be in a neutral funding position on an FRS102/IAS19 basis.

Section 8 – Guarantees

In order for this application for admitted body status to be accepted, there is a requirement that a guarantee from the Secretary of State for Justice will be obtained and a formal document detailing this guarantee will need to be signed. As part of the applications process, we will liaise with the Secretary of State for Justice to arrange putting this guarantee in place.

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 CRC.

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.

Section 10 – Declaration and authority

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

Appendix A – Contractor's certificate

The Contractor is to issue a certificate to the MOJ with a copy to GMPF providing a number of confirmations in respect of the Subcontractor and the Eligible Employees in the form at Appendix A.

Please ensure that you have provided a signed copy of the MOJ Contractors Certificate to the Secretary of State for Justice and 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.