Avon
Pension
Fund

Your pension, your future

Outsourcing a Service with Local Government Pension Scheme (LGPS) Eligible Employees

Avon Pension Fund

Contents

Background information

The LGPS is a funded nationwide public service pension scheme which provides defined benefit retirement pensions to employees of organisations listed in the 2013 Local Government Pension Scheme Regulations (referred to as “the Regulations”).

This guide is primarily for employers with members in the Avon Pension Fund (APF) who are looking to outsource a service to a private Contractor, or a not-for-profit organisation, through a contract or other arrangement. The information set out below lists your responsibilities as a scheme employer and the pension related issues you will need to consider when outsourcing a service and the impact that your choices will have on the transferring staff. (See FAQ 1 below).

The consequences of overlooking pensions when outsourcing services can be disruptive and costly.

Admission Bodies

Admission Bodies are organisations which apply to join the LGPS. They are known as admission bodies because they join the Avon Pension Fund (APF) by signing an Admission Agreement. The Admission Agreement is a contract between an APF Scheme Employer, the APF, and the admission body (Regulation: Schedule 2, Part 3 applies).

Admission bodies fall into two categories:

- *Transferee Admission Body (TAB)* – an organisation which is contracting to provide a service being outsourced by a Scheme Employer. In most cases there will be a transfer of a service by means of a commercial contract. Please see Becoming a Fund Employer, Prospective Transferee Admission Bodies on the APF website.

- *Community Admission Body (CAB)* – an organisation which is usually “not for profit” and has a ‘community interest’ linked to an existing Scheme Employer(s). In most cases there will be a service transfer agreement. Please see Becoming a Fund Employer, Prospective Community Admission Bodies on the APF website.

Guidance for Scheme Employers and Contractors

In outline, where a Scheme Employer is outsourcing a service to a Contractor and staff are transferring under TUPE legislation, APF will require the Contractor and Scheme Employer to sign an Admission Agreement with the Fund. To ensure other Scheme Employers in the Fund do not suffer financially if the admitted body defaults, there is a requirement under the Regulations that the Scheme Employer will guarantee the pension liabilities of the Contractor. Additionally, there must be a signed commercial contract between the Scheme Employer and the Contractor

(TAB) for the provision of services. For a non-profit CAB, this would usually be a service transfer agreement. The responsibility for initiating the Admission Agreement rests with the Scheme Employer.

Early considerations if you are planning an outsourcing to a Contractor (TAB)

If you are planning to outsource a service, it is essential to include pension costs in the tender documentation so that prospective tenderers can include pension costs in their bid. APF can assist Scheme Employers who are tendering by reviewing the LGPS pension section of the tender documentation ahead of the tender and can also provide the employer's contribution rate for the Employer or Contractor to pay once admitted into the Fund. APF can also review pension clauses in the draft commercial contracts, provide feedback, and suggest pension clauses for the Scheme Employers or their solicitors to include in their contract.

Process for joining the Avon Pension Fund

Stage One: Prior to contact with the Avon Pension Fund

- The success of outsourcings depends critically on the fair treatment of staff who will need reassurance that their rights in the LGPS will be respected and that they will not be disadvantaged following the transfer. Therefore, the first priority is to reassure the employees in the LGPS that their membership (and accrued service) will continue in the same way with the new Contractor after TUPE. The commercial contract should impose obligations on the Contractor with respect to pension protection for the transferees. Employees should be provided with the 'Transfer of your job to another employer (TUPE)' factsheet.
- Reassure employees who have opted out of the LGPS that they will continue to be able to opt back in to LGPS after transferring to the new Contractor.
- Read the remainder of this factsheet for further guidance.

Stage Two: Informing the Avon Pension Fund

- Contact APF at APF_EmployerAdmissions@bathnes.gov.uk when a decision is reached to outsource the service and provide brief details. The Fund will then make contact to discuss this further.
- Appoint a Lead Officer to be the main contact for APF by completing and returning form LGPS35B – Appointment of Lead Officer Form. The Lead Officer should be either the nominated Pensions Officer or the manager co-ordinating the outsourcing exercise. The Lead Officer will act as the essential link between APF and the Contractor in respect of pensions. They should ideally understand the LGPS and have read this document.

- Understand the costs associated with joining the Fund. The charges and fees document sets out the costs. Fees are subject to an inflation-linked increase in May of each year.

Stage Three: Completing forms for admission into the Avon Pension Fund

- The LGPS33B (New Employer Data Request Form) is a key document, so work should begin on this as soon as possible. This information is used by the Actuary to calculate the employer's contribution rate for the Contractor to pay.

To complete this form there are three stages:

1. Complete Tab 1. This asks for the Scheme Employer name, New Employer (TAB) name (if known), admission date (if known), Lead Officer details and acceptance of the fees. If completed prior to commencement of tender, which APF recommends, the TAB name will not be known. This should be completed by the Lead Officer. If there are any queries, please contact APF for advice.

2. Complete Tab 2. If an in-house service is being outsourced the Scheme Employer or their Payroll Provider will be able to complete the member pay details. If the outsourced service is already being provided by a Contractor, the current Contractor should complete Tab 2. **Please note** - all staff who are transferring must be included on the LGPS33B. This includes staff who have opted out of the LGPS, as these staff retain the right to opt back in and will be included on the Admission Agreement. Please mark "opted out" next to these staff on the LGPS 33B; no pay data is required for these members.

3. When the completed form is returned by the Payroll Provider or current Contractor, the Lead Officer should review the pay data and ensure that all employees on the TUPE list are included. The Lead Officer should then send the completed form to APF. For GDPR compliance, please return the LGPS33B using Globalscape, or a password protected email with the password provided in a separate email.

Stage Four: Actuarial Valuation & Risk Assessment

- Once the forms have been received, we will reconcile the data for each employee against the member records on the pension database.
- The data will then be sent to the Fund's Actuary who will produce an Actuarial Valuation and Risk Assessment Summary Paper. This contains the employer contribution rate for the Contractor based on the cohort of staff transferring.
- Once it is received from the Actuary, the APF will send the Actuarial Valuation and Risk Assessment Summary Paper to the Lead Officer who can include the employer contribution rate in the tender or advise the Contractor of the employer contribution rate.

- The Lead Officer will need to decide if the Scheme Employer wants to ask the Contractor to provide a bond (see FAQ 6 below).
- The Scheme Employer will be invoiced by the Fund for the Actuarial Valuation and Risk Assessment Summary Paper. In some instances, the Contractor will agree to cover this cost if it is set out clearly in the tender.

Stage Five: Information to be supplied when the tender is complete

- The LGPS34B (New Employer Details Form) asks for details of the successful contractor and related information. This two-sided form should be completed by the Contractor. Where a Contractor is providing services under different contractual arrangements it will be required to enter into a separate Admission Agreement in respect of each contract.
- The LGPS54 (Authorised Medical Practitioners Form) is a form used by the APF to ensure that there are Medical Practitioners in place who can assess a member if they were to become unable to work. Additional information on ill-health retirements can be found on the website or provided on request.
    - The Contractor will need to choose and register with a Medical Practitioner. A list of approved Medical Practitioners can be provided by the APF. Alternatively, smaller Contractors may wish to adopt the Authorised Medical Practitioner of the Scheme Employer, and in this case the Contractor should write this on the Form and return it, having first made the necessary arrangements with the Scheme Employer.

Stage Six: The Commercial Contract and Admission Agreement

- APF will draft the Admission Agreement after receipt of the above LGPS admission forms.
- It is vital that the outsourced service does not commence and that the staff are not transferred to the new Contractor until both the commercial contract and the Admission Agreement are signed (see FAQ 3 below).
- The Lead Officer should send a copy of the draft commercial contract to APF at the earliest opportunity to enable APF to review the LGPS pensions provisions. Commercially sensitive information can be redacted. APF will review it to see if the LGPS pension arrangements are clear and comprehensive and provide feedback. If less than adequate, the Lead Officer should recommend delaying the start of the contract until the contract includes suitable LGPS pension provisions (See FAQ 2 below).
- The contract should make clear that the Contractor must become an admitted employer in the APF. It should also set out which party is responsible for the pensions risk (see FAQ 5 below).
- LGPS pensions are complex and the APF can provide suggested pension clauses for inclusion in the commercial contract or tender documentation which may save legal costs and prevent unforeseen pension costs in the long run.
- The Admission Agreement is linked to the commercial contract, so the Admission Agreement will only be effective once the commercial contract is

signed. APF will email the Scheme Employer and the Contractor a copy of the Admission Agreement for signing, or use electronic signatures (e.g. DocuSign) where applicable. This must be signed and returned to APF who will seal and complete the agreement. A completed copy of the Admission Agreement will then be sent to both parties.

- A copy of the signed commercial contract should be provided to APF, firstly, for reference if any LGPS pension issues arise during the course of the contract and, secondly, to enable APF to determine whether any exit credit is payable when the Admission Agreement ends.

Stage Seven: Contactor becoming an employer in the Fund

- When the contract, Admission Agreement and, if necessary, a Bond Agreement have been signed, the Lead Officer should advise APF of the contract commencement date on which the staff transfer.
- The APF Finance Team will contact the Contractor's Finance Director (or Payroll Team/ Payroll Provider) explaining how to pay the pension contributions.
- The Contractor is now a "Transferee Admission Body (TAB)" in the APF. The APF employer website provides relevant tools, factsheets, forms, and news and events which will assist the contractor in the administering the LGPS once it becomes an employer in the Fund.
- The Employer Relations team will contact the Contractor to ensure that they are properly set up as a scheme employer and to provide full training on their responsibilities as an employer in the Fund.
- Employers are expected to operate within the Fund's Pensions Administration Strategy (PAS).
- Employers will also be required to sign a Service Level Agreement to ensure mutual understanding on requirements from both the Fund and the employer.

Stage Eight: When the Contract Finishes or Transfers to a New Provider

- When the last LGPS member leaves or the contract terminates, the Admission Agreement will end and APF will commence the termination process. Any residual deficit or surplus assessed by the Actuary will be dealt with in accordance with the Regulations, the Fund's Funding Strategy Statement and by reference to the terms of the commercial contract and any other relevant evidence.
- If the contract is to be re-let and transferred to a new provider or, alternatively, taken back in-house, the Scheme Employer is asked to advise APF well in advance so that the proper processes can be put in place to continue to protect the eligible employees' pensions.

Frequently Asked Questions

1. **Why do Scheme Employers need to provide pension protection when outsourcing a service?**

Scheme Employers are legally obliged to ensure that all staff who are members of the LGPS, or who have an entitlement to join the LGPS (e.g. staff who have opted out), and are being transferred under TUPE legislation to another employer have continuing membership of the LGPS or retain their entitlement to join the LGPS. The Government Legislation your organisation should be aware of is: “Best Value Pensions Direction 2007” for local authorities (including maintained schools) outsourcings and “Fair Deal Guidance 2013" which covers academy/MAT outsourcings and certain other schools which are specified in the Guidance.

2. **Why does the Fund need to see a copy of the Commercial Contract?**

The Fund needs to ensure that there are satisfactory pension provisions included in the contract before the transfer of staff takes place. If a contract is signed and is deficient in terms of pensions it may be unclear who will pay for pension contributions, contribution increases or decreases, and how a deficit or surplus will be settled when the contract ends.

As a minimum, the contract must include the requirement for the Contractor to become a transferee admitted body (TAB) in the APF (so that eligible staff pensions are protected) and it must also make clear who is responsible for any pension contributions, increases in contributions and any deficit or surplus when the contract finishes. In certain circumstances the contract must include a provision making clear that the Contractor is not entitled to an exit credit if there is a surplus when the Admission Agreement ends. The APF can provide suggested pension clauses for a commercial contract for Scheme Employers to use in their contract or can comment on whether existing contract pension clauses are adequate.

3. **Why should the Scheme Employer not transfer the staff to the Contractor and start the service before the Commercial Contract and Admission Agreement are signed?**

If the staff are transferred before the Admission Agreement and contract are signed, the Contractor is not contractually bound to join the APF and provide continued LGPS pension protection for the staff. The contract may remain unsigned because the Contractor is not happy with some aspects of the contract (or at the very least has not confirmed that the contract is satisfactory) and may even be unwilling to sign an Admission Agreement. In the former case the Scheme Employer may have to make significant concessions to the Contractor to enable the contract to proceed or cancel the award of contract. In the latter case (failure to sign an Admission Agreement) there would be no alternative but to cancel the award of contract. In circumstances where service delivery has already commenced this would be extremely disruptive while at the same time the staff’s LGPS pension rights are not protected. The Scheme Employer would then have to decide how best to discharge its duty of protecting staff pension rights while going through the process of choosing another Contractor and negotiating contract terms for a second time. To avoid this, ***the APF strongly recommends that the pension clauses of the contract are checked by us before signing and that service delivery by the Contractor does not commence before both the contract and Admission Agreements have been signed.***

An Admission Agreement is linked to a commercial contract so by law the Admission Agreement cannot be completed until there is a signed commercial contract. Until the commercial contract and Admission Agreement are both signed, APF cannot admit a Contractor into the Fund, request contributions from the Contractor, or "migrate" the staff members' records to the Contractor in the APF, as they would not be an employer (Transferee Admission Body) in the APF.

Members' pensions are at risk if the Contractor is not admitted to the APF and the consequences of this means that the APF cannot process leavers, retirements, ill health retirements and death in service benefits. This is detrimental to the employees (who are members of the Fund) and could damage the reputation of the Scheme Employer in the context of staff welfare.

By way of example, if an outsourcing contract were to start before pension protection had been put into place and a member were to pass away, the Scheme Employer could find themselves in potential legal difficulties as the member would have ceased to be an active member of the LGPS from the day the outsourcing contract started, and therefore their pension would not have been protected. Dependants would not receive the tax-free cash lump sum death grant payments and enhanced survivors' pensions which would otherwise have been paid. This is a strict interpretation of the situation which would need to be addressed by the Scheme Employer. It is also worth highlighting that within the Best Value Direction order, transferring employees have a legally enforceable right to pension protection against the Scheme Employer. Apart from reputational damage, this constitutes a financial risk to the Scheme Employer.

Therefore, there are strong and compelling reasons why staff should not transfer to a Contractor before the commercial contract and Admission Agreement have been signed by all parties.

4. What pension costs can be incurred during a contract?

Pension costs comprise:

- The employer contribution rate, which can increase or decrease at each triennial valuation.
- A termination deficit (or surplus) at the end of the contract if the liabilities increase to a greater (or lesser) extent than anticipated by the Actuary or investment markets fail to deliver (or exceed) the returns expected by the Actuary.
- An early retirement strain cost resulting from a member aged 55 or over being made redundant.

- Staff members who had previously opted out (Schedule B members) opting back in. Conversely, if a Schedule A member of staff leaves during the contract, this will save the Contractor money.

The initial employer pension contribution rate provided by the Actuary should be included in the tender price. If the Scheme Employer has not asked APF for an employer's contribution rate due to insufficient notice, or this work has not been completed, an interim employer contribution rate of 25% should be used in the tender.

If an active member aged 55 or older is working on the contract, and is made redundant by the Contractor, a strain on the fund cost will be incurred. It is necessary to detail in the contract whether the Contractor or Scheme Employer is responsible for this cost.

5. What is pensions risk, and should the pensions risk be retained or transferred?

Retaining or transferring the pension risk are equally valid options provided they are correctly included in the tender documentation and draft contract. In both cases the Contractor will pay the contributions set by the Actuary to the Fund.

Whilst the Actuary makes every effort to set contributions so that the admission ends in neither surplus nor deficit, there are factors outside his control which he must try to predict such as asset values, the rate of inflation, changes in membership, regulatory changes, longevity and so forth which inevitably do not always fall in line with his predictions. This means that contribution rates can increase or decrease, and an admission can end in deficit or surplus. This variability is essentially the 'pensions risk'.

The extent of the pension risk is usually linked to the number of LGPS members in the admission. More members will usually mean greater risk. The degree of pension risk which is passed to the Contractor will almost certainly affect the tender price.

If the commercial contract is '**risk retained**' by the Scheme Employer, the Scheme Employer is responsible for any increases in pension costs (see pension costs in FAQ 4 above); however, it should be noted that if members leave the employment the pension contributions could reduce because new joiners will not be in the LGPS if it is a closed admission. If so, the Scheme Employer should not have to pay for increases in contributions. At the end of the contract (or when the last member leaves) the admission will end and any residual deficit or surplus which arises in the termination valuation will be the responsibility of the Scheme Employer, and will be subsumed into the Scheme Employer's fund within the Avon Pension Fund - there will be no cash payment or receipt. This basis is also known as 'pass-through' because pension costs "pass through" the Contractor to the Scheme Employer. Contractors usually prefer this basis. It is recommended that, in the case of outsourcings involving a small number of staff, the contract should be let on a "risk retained" basis.

If the contract is ‘**risk transferred**’ to the Contractor, the Contractor is responsible for any increases in pension costs (see pension costs in FAQ 4 above). At the end of the contract (or when the last member leaves) the admission will end and any residual deficit or surplus which arises in the termination valuation will be the responsibility of the Contractor. If it is a deficit the Scheme Employer will ask the Fund to raise an invoice for the deficit to the Contractor and the Contractor will be expected to pay this amount to the Fund. If it is a surplus this will be paid to the Contractor as an “exit credit”. Therefore, there will be a cash payment or receipt in most cases. The assets and liabilities will then be equalised and will be subsumed into the Scheme Employer’s fund within the APF.

The commercial contract can transfer certain pension costs and retain others, for example the pensions risk could be transferred excluding “strain on the fund” costs which are not caused by the Contractor. Alternatively, the pensions risk can be limited through a “cap and collar” arrangement.

6. Is it necessary for the Contractor to provide a bond?

A bond is an agreement drawn up which provides debt security. The Scheme Employer can under the Regulations ask the Contractor to provide a bond against the eventuality of their company failing with money owing to the APF. The bond will normally be provided by an organisation who has permission under the Financial Services and Markets Act 2000. It is a decision for the Scheme Employer if they wish to ask the Contractor for a bond, and if so, the amount should be specified in both the tender and the commercial contract, otherwise the Contractor is not obliged to provide one. If a bond is a contract requirement, the Contractor will need to arrange this. The process can take several weeks to arrange and will incur a cost for the Contractor.

The Scheme Employer should determine the amount of the bond taking into consideration information provided by the Actuary in the Actuarial Valuation and Risk Assessment summary paper. The bond amount will only be payable if the Contractor is liable in the commercial contract to pay pension liabilities owing and fails, in other words only if the contract is “risk transferred”. Contracts which are known as “risk retained” do not require a bond as the Scheme Employer is liable for any residual deficit. If a bond is required by the Scheme Employer, APF will prepare a bond agreement. In all cases the Fund will ask the Scheme Employer to complete an LGPS32 - Bond Questionnaire to advise the APF whether they intend to request a bond or not from the Contractor. Further information can also be found in the “Deciding the Bond Amount” guidance, on the APF website.

7. How does the Actuary calculate the contribution rate?

The Actuary calculates the present value of the pension promises for each employee who is transferring and allocates pension assets equal to the pension liabilities so that the admission starts ‘fully funded’. The Actuary also calculates the cost of each year of service which will accrue in future for the members transferring, and from this calculates the employer’s (future service) contribution rate. To do this the Actuary uses a number of assumptions. During the course of the contract these assumptions will change, as will the membership profile, while investment markets will either exceed or fall short of expectations. This means that when the Actuary reviews the pension liabilities for these members at either the triennial Fund valuation or at termination, a deficit or surplus is likely to arise. In most cases the deficit or surplus will be small, but this cannot be guaranteed as sometimes major events can occur which cannot reasonably be foreseen.

8. What is an Admission Agreement?

The Admission Agreement is a legal document which allows the Contractor to provide membership of the LGPS to employees TUPE transferring to their organisation. Where an Employer has an obligation to ensure pension protection for TUPE transferring staff, LGPS membership must be continuous, therefore an outsourcing contract and Admission Agreement should come into effect on the same day.

The Admission Agreement will include Schedules of LGPS Members transferring to the new Admission Body under TUPE. If it subsequently transpires that the employees who have actually TUPE transferred differs from those listed in the Schedules, then a formal amendment will have to be made to the Admission Agreement and signed by all parties.

Important Information

Guarantor to Admission Bodies

The admission body must be guaranteed in a form satisfactory to the administering authority. This guarantee may be given by:

- For a CAB, an organisation who funds the admission body in whole or in part (occasionally a bond will be accepted by APF in lieu of a guarantee);
- For a TAB, the Scheme Employer (the “Related Employer”). The Guarantee is set out in Regulation 64 (3) of the Regulations. The Admission Agreement requires compliance with the Regulations.

Admission Agreements - ‘open’ or ‘closed’

An Admission Agreement can be an ‘open agreement’ or a ‘closed agreement’. In an open agreement, new joiners, as well as transferring staff working on the contract or services can be offered membership of the LGPS under the Admission Agreement. A closed agreement will restrict membership to the transferring employees only. Academy Trusts often keep Admission Agreements open to allow new academies joining the trust to join the outsourcing agreement; however, the admissions are in effect “closed” since they are limited to transferees. It is important to state if the admission is open or closed as it will affect the pension costs associated with the contract and impact the Actuary’s assessment of the employer contribution rate the Contractor will have to pay.

Eligible Employees & Opting Out

- Employees who are active members of the LGPS on transfer must be enrolled into the LGPS from the date the Admission Agreement comes into effect.
- Staff who are not active members of the LGPS on transfer may be auto-enrolled in a qualifying scheme which is not the LGPS. However, on auto-enrolment, both initially and at subsequent staging dates, the Contractor must inform staff of their continuing right to join the LGPS at any time.
- If employees who are active members on transfer decide that they no longer wish to be members of the LGPS they can elect to opt out, but this cannot be done before the date on which their employment with the Contractor starts. The employee can obtain an opt out form from the APF website. It is unlawful for the Contractor to give an opt out form to an employee.
- Because of the duty which Scheme Employers have, to protect the LGPS entitlement of transferring staff, it is important for the Scheme Employer to ensure that the Contractor is aware of his responsibilities in this regard. In summary, Schedule B staff should be reminded of their LGPS entitlement and option to join on a regular basis by the Contractor.

Commercial Contracts & Exit Credits

- Before 2018, the Regulations did not allow a surplus at the end of a contract to be refunded to a Contractor, so contracts before this date will not have addressed the question of who should be entitled if there is any surplus at the end of the contract.
- In 2018 and 2020, changes were made to the Regulations where an "exit credit" (i.e. surplus) may be paid to a Contractor when the contract ends in certain circumstances.
- It is now important to address exit credits and the payment of any surplus in the commercial contract.
- If the contract is "risk retained" and the Scheme Employer is the guarantor, any deficit will be the responsibility of the Scheme Employer at the end of the contract. Therefore, the Scheme Employer should be entitled to any surplus. APF can provide an exit credit clause to be used in contracts to make it clear that, because the contract is "risk retained", the Contractor will not be entitled to any exit credit and that any surplus will be payable to the Scheme Employer.
- If the contract is "risk transferred" to the Contractor, any deficit will be paid by the Contractor at the end of the contract. Therefore, any surplus is payable to the Contractor in the form of an exit credit.

Ill-Health Captive

- The Fund has implemented an internal captive insurance arrangement in order to pool the risks associated with ill health retirement costs. The captive has been designed for Scheme Employers that could be materially affected by the ill health retirement of one or more of their members because of their size or the limited nature of the Admission Agreement.

- For those employers in the ill-health captive arrangement, an allowance for ill health retirements is included in the employer contribution rate. The costs of an ill health retirement, which would normally be the responsibility of the Scheme Employer, are now met by the ill health captive.

Death in Service Captive

- The Fund has implemented an internal captive insurance arrangement in order to pool the risks associated with death in service costs. All Scheme Employers are included in the death in service captive arrangement, and an allowance is included in the employer contribution rate. The costs of a death in service, which would normally be the responsibility of the Scheme Employer, are now met by the death in service captive.

Contribution Calculations & Payment

- The employer contribution rate will be calculated by the Actuary for the start of the contract or for the tender (preferably the tender).
- In the event that the employer contribution rate is not known prior to the contract commencement date, an interim rate of 25% of pensionable pay will be applied until the correct contribution rate has been calculated.
- In addition to the employer contributions, the Contractor will be responsible for collecting employee contributions and sending these to the APF.
- Contributions will be paid to the APF each month. The necessary details on how and what to pay for the financial year will be sent to the Contractor by the APF Finance Team before the first payment is due.
- All employer contribution rates will be revised at each triennial valuation, the next being at the 31st March 2025 with the new rates coming into effect from the 1st April 2026. A deficit or surplus may arise on the past service liabilities at the next triennial valuation.

Broadly Comparable Schemes

- The Best Value Pensions Direction 2007 applies to Unitary Authority Employers only (not Academies) and allows LGPS members to join a ‘Broadly Comparable’ pension scheme instead of remaining in the LGPS via the admission body route.
- A Broadly Comparable pension scheme must have a valid Government Actuaries Department certificate (GAD Certificate) certifying that it is broadly comparable.
- Contractors seeking to use this route will be asked to provide a valid GAD certificate.
- Broadly Comparable pension schemes are not permissible for academies and certain other schools specified in Fair Deal Guidance 2013. When new Fair

Deal arrangements are introduced by the Government for all LGPS employers in the near future, it is anticipated that Broadly Comparable schemes will no longer be acceptable as an alternative means of providing pension protection. In view of this they should be avoided as far as possible.

Who to Contact

When you are ready to proceed or have any queries regarding joining the fund, please e-mail APF_EmployerAdmissions@bathnes.gov.uk

Disclaimer

This guide is an overview of pension implications and procedures for LGPS Scheme Employers participating in Avon Pension Fund and is provided for background information purposes only; the guide does not constitute advice; the guide is not an authoritative statement of the law and does not confer any statutory or contractual rights. The Avon Pension Fund do not accept any liability for loss or damage, consequential or otherwise, in reliance on the guide. Nothing in the guide can override the provisions of the Local Government Pension Scheme Regulations, other legislation, or government guidance. The Guide was up to date at the time of publication and the Avon Pension Fund will review it periodically and update it as required.

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