

## **PENSIONS COMMITTEE – 2 JUNE 2004**

### **ADMISSION TO THE COUNCIL'S PENSION SCHEME**

#### **SUMMARY**

This report considers the admission to the Council's Pension Scheme of further staff to be employed by Bexley Business Academy as a result of the transfer of Council services. The Academy will accept the transfer, under TUPE regulations, of staff employed by the Council at the dates of transfer. The admission of the body to the Pension Scheme will ensure that the staff's pension rights are maintained.

#### **RECOMMENDATIONS That**

- (1) Subject to the conditions of the Local Government Pension Scheme, the admission to the Council's Pension Scheme be approved for Bexley Business Academy in respect of those staff in the Council's pension scheme at the date of transfer and transferring to the primary academy, together with new staff recruited by the organisation.
- (2) Admission be subject to the above body paying to the Council:-
  - i) the employees' contributions;
  - ii) the employer's contributions as determined by the Fund Actuary; and
- (3) the Head of Legal Services be authorised to enter into the necessary agreements.

#### **1. Introduction**

Local authorities have the power to admit employees of organisations who provide a public service other than for profit (and in certain restricted circumstances companies undertaking Council work) into their pension schemes by way of "admission agreements". Employees pay a standard contribution of their pensionable earnings. Each employer's contribution rate is determined by the Council's Actuary and depends on factors such as the age, length of scheme membership etc. of the employees involved. Employees not currently in the Local Government Pension Scheme would have to meet the normal conditions of entry for membership of the scheme.

#### **2. Request for Admission – Bexley Business Academy**

The Pensions Committee, at its meeting in July 2002, agreed to admit Bexley Business Academy to the Council's Pension Fund in respect of those non-teaching staff transferring from the former Thamesmead Community College.

The Council is now working with the Department for Education and Science and the Business Academy to establish a primary academy. The primary academy will replace Abbey and Southlake Primary Schools which close on 31<sup>st</sup> August 2004. Some 54 non-teaching staff will transfer to the academy on 1<sup>st</sup> September under the terms of the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. Of these, 38 are currently in the Local Government Pension Scheme. Subject to determination of the employer's contribution rate involved, the academy is seeking admission for those staff who will transfer and any new or replacement staff who may be appointed.

The main advantage of admission is the continuity in the Local Government Pension Scheme that it affords to the staff who are transferring to the Bexley Business Academy under the TUPE regulations. The Academy meets the statutory criteria for admission to the Council's scheme.

### **3. Summary of Financial Implications**

There are no costs of any significance to the Council or its Pension Fund of the new admission. The admission agreement is in a standard form and the employer's contributions determined by the Actuary, to be met by the Department for Education and Science, will ensure that the Academy will be able to meet the costs of their employees' pension entitlements.

#### **Local Government Act 1972 – section 100d List of background documents**

**Contact Officer:** Nigel Bate, Group Accountant (Technical). Extn 2647  
**Reporting to:** David Berry, Director of Finance and Business Services