




## North Yorkshire Pension Fund

### Important information for NYCC Schools

**Outsourcing services and ongoing membership of the Local Government Pension Scheme (LGPS) for support staff only**



**You should not outsource a service until you have considered the pension implications for your support staff. You have a statutory duty (under Best the Value Authorities Staff Transfers (Pensions) Direction 2007) to ensure pension provision is in place **before** you transfer your support staff to a third party contractor**

#### Introduction

Support staff in NYCC schools are eligible to join the Local Government Pension Scheme (LGPS). The LGPS for NYCC is administered by the North Yorkshire Pension Fund (NYPF).

When an NYCC school outsources a service to a private sector employer, the staff associated with that service will generally transfer to the new service provider (contractor). **Support staff will lose their right to participate in the LGPS unless an admission agreement is in place before the transfer takes place.**

#### Why it is important to contact the NYPF early in the procurement process

It is vital that the pensions issue is seen as an integral part of the outsourcing process. Once a decision has been made to outsource a service you should contact the NYPF with details of the outsourcing and the main contacts involved. **Failure to consult with the NYPF early on in the process could lead to delays or complications later on.**

#### What is an admission agreement and why is it important?

To become an admission body in the NYPF (and provide continued access to the LGPS) both the contractor and NYCC must enter into an admission agreement.

An admission agreement is a separate legal document to the commercial services contract and will be agreed by NYCC, the contractor, and the NYPF. NYPF'S legal advisors will provide the admission agreement document.

#### Consequences of late notification

**If an admission agreement is not in place before the transfer date it will have serious consequences for the school, its support staff and the contractor**

The NYPF do not have to backdate an admission agreement. This means that where an admission agreement is not signed before the staff transfer date, the staff will not be eligible to participate in the LGPS (and therefore will not accrue LGPS benefits) until the date the admission agreement is signed. This would mean that either NYCC or the contractor would need to make alternative pension arrangements for the interim period.

**A pension scheme broadly comparable to the LGPS can be very expensive and administratively difficult to establish, even for an interim period**

Schools should bear this in mind at the start of the procurement process and determine when the legal arrangements, including pension provision, are sufficiently advanced to actually enter a service contract and transfer staff.

### **Next Steps**

**There is a minimum eight week lead in time to enter into an admission agreement. You should factor this in when planning the staff transfer date**

You should request an 'Admission agreement Guide & Checklist' and a staff list from Jo Wade, [jo.wade@northyorks.gov.uk](mailto:jo.wade@northyorks.gov.uk) (Pensions Technical Compliance Team Leader). Both the checklist and the staff list should be completed and emailed back to Jo (at least eight weeks prior to the staff transfer date). If you don't hold the information needed for the staff list you should ask Employment Support Service to provide it.

### **Contact Details**

#### **North Yorkshire Pension Fund**

Pensions Technical Compliance Team Leader

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