

Cambridgeshire
Pension Fund

Pension Fund Board
5 November 2021

Report by: Head of Pensions

Subject: Admission Bodies, Scheme Employers and Bulk Transfer Policy

Purpose of the Report: 1. To present amendments to the Fund's Admission Bodies, Scheme Employers and Bulk Transfer Policy to the Pension Fund Board

Recommendations: That the Pension Fund Board note the amendments to the Admissions Bodies, Scheme Employers and Bulk Transfer Policy

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1. Background

- 1.1 The Admission Bodies, Scheme Employers and Bulk Transfer Policy outlines the Fund's policies regarding the treatment of admitted bodies and scheme employers in a range of scenarios, particularly their entry and exit from the Fund, and the bulk transfer of pension rights into and out of the Fund.
- 1.2 In September 2020 the LGPS Regulations were amended to allow the Fund to recalculate employer contributions outside of the triennial formal valuation and to allow greater flexibility around managing the exit of an employer from the Fund.
- 1.3 The Funding Strategy Statement was previously amended and was approved by the Committee for consultation with Scheme employers. The consultation has now closed and the amended statement has now been published.
- 1.4 The amendments to the Admission Bodies, Scheme Employers and Bulk Transfer Policy were approved by the Pension Fund Committee on 30 September 2021.

2 Amendments to the policy

2.1 Amendments to the policy document include:

- The list of Pension Fund objectives relevant to the policy document have been updated to reflect the latest version of the Pension Fund Objectives.
- Changes to reflect the new regulations on reviewing employer contribution rates and managing employer exits, introduced in September 2020 and signposting to the Fund's policies on these matters within the Funding Strategy Statement.

- The Fund’s policies on contribution rates and payments have been updated to reflect that a risk based approach is now taken when setting employer contribution rates, that the Fund no longer purchases external ill health insurance and other clarifying changes.
- The Fund’s policy for tracking the funding position of employers has been updated to reflect that this now happens monthly using Hymans Robertson’s HEAT solution.
- Clarification of the treatment of funding deficits and surpluses on cessation of an employer.
- Updates to the stabilisation of employer contribution rates for Academies to reflect the latest version of the Funding Strategy Statement.
- The Fund’s policy on bulk transfers has been updated to simplify the process and reduce the need for costly actuarial negotiations.
- Addition of policies for the bulk transfer of pension obligations between Academy Trusts.
- Other non-material amendments that improve the wording of the document or provide clarity without materially changing policy positions.

3. Relevant Pension Fund Objectives

- 3.1 To ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer.
- 3.2 To ensure the long-term solvency of the Fund, taking a prudent long term view, so that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment.
- 3.3 To ensure appropriate exit strategies are put in place both in the lead up to and termination of a scheme employer.

4. Risk Management

- 4.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.
- 4.2 The risks associated with failing to monitor admissions and cessations have been captured in the Fund’s risk register as detailed below.

Risk	Residual risk rating
Information may not be provided to stakeholders as required.	Green
Failure to administer the scheme in line with the regulations.	Green
Failure to assess and monitor the financial strength of an employer covenant to ensure the employer liabilities are met	Green

- 4.3 The Fund’s full risk register can be found on the Fund’s website:

[Pension Fund Risk Register hyperlink](#)

5. Finance & Resources Implications

- 5.1 There are no direct finance and resourcing implications of this plan. The costs of most activities outlined in the document are recharged to the relevant employer(s) or included within the Fund's annual administration budget.

6. Communication Implications

Direct Communications - Direct communications will be required to inform employers of the new policy

Training - Training will need to be provided to officers on the new policies.

Website – The new policy document will be uploaded to the Fund's website.

7. Legal Implications

- 7.1 None

8. Consultation with Key Advisers

- 8.1 Actuarial advice was taken when updating the policy document.

- 8.2 Legal advice was taken in relation to the Fund's policy on the payment of exit credits when drafting amendments for the Funding Strategy Statement. Changes to this document reflect those changes and the advice received at that time.

9. Alternative Options Considered

- 9.1 None available.

10. Appendix

- 10.1 Appendix 1: Admission Bodies, Scheme Employers and Bulk Transfers Policy (clean copy)

- 10.2 Appendix 2: Admission Bodies, Scheme Employers and Bulk Transfer Policy (compare copy)

Checklist of Key Approvals

Has this report been cleared by Head of Pensions? Mark Whitby 22/10/2021