

ADMISSION BODY

fact sheet

(pass-through arrangement)

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Pass-Through Arrangements

The Fund's policy from April 2019 is for the default arrangement to be for all new Schedule 2, Part 3 employers to pay the same primary contribution rate (found [here](#)) as the scheme employer. Upon termination of the admission agreement the assets and liabilities of the admission body shall be subsumed within the Fund by the scheme employer who awarded the contract so that no exit payment will be due from, and no exit credit will be payable to, the admission body.

The contribution rates for all employers will be reviewed at each subsequent actuarial valuation in line with Regulation 62 of the LGPS Regulations.

Scheme Regulations

The statutory provisions currently effective are contained in the Local Government Pension Scheme Regulations 2013.

We strongly advise that you or your legal advisors are fully aware of, and refer to, the regulations before continuing with this application.

The regulations can be viewed at <http://lgpsregs.org/index.php/regs-legislation/timeline-regulations-2014>

An administering authority may make an admission agreement with:

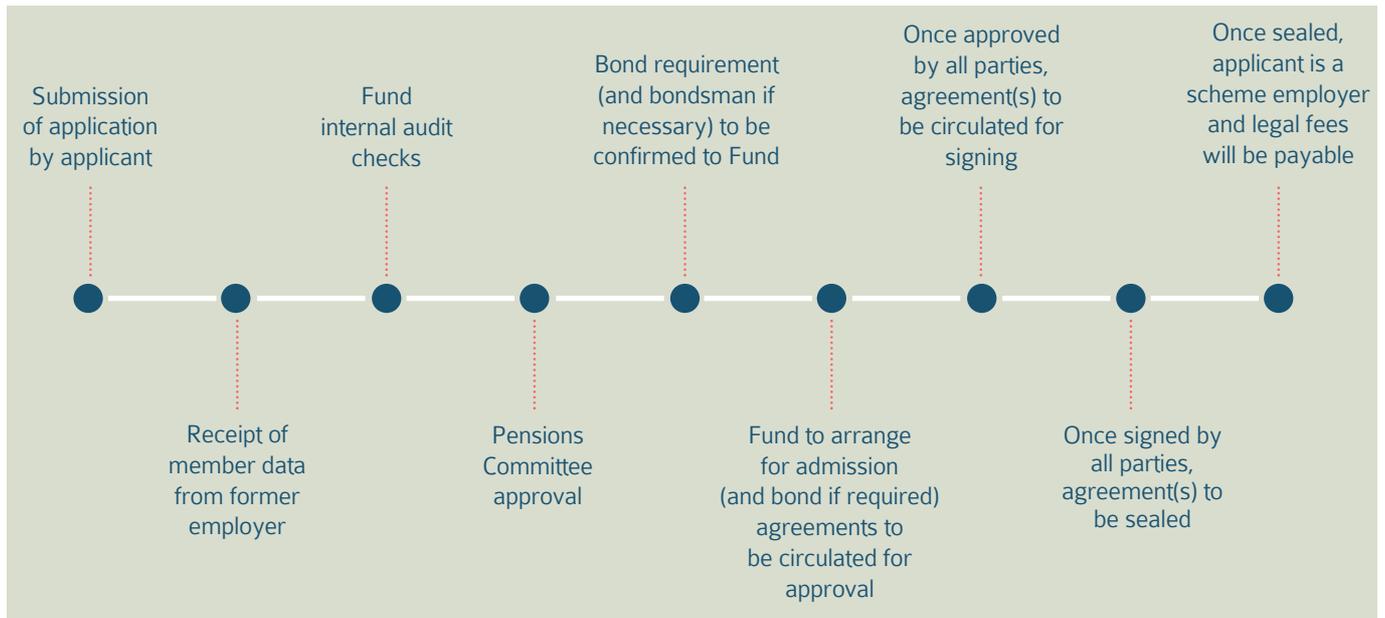
- 1) a body which provides or will provide a service or assets in connection with the exercise of a function of a scheme employer as a result of –
the transfer of the service or assets by means of a contract or other arrangement (I.E. A PRIVATE COMPANY)

1) Application Cost

The potential cost of an application for admission body status is up to £2,300.00 + VAT (£4,300.00 + VAT if a bond is required).

- Please note that if your application involves over 250 members, this cost may be higher.
- We are unable to provide exact costs until an application has been received.

2) Process Requirements



- Submission of application form and accompanying documents, please refer to our website for further information: <http://www.wmpfonline.com/article/4830/Admission-Body>
- Employer contribution rate confirmed by the Fund upon application.
- Receipt of data file from former employer, please refer to our website for the file layout: <http://www.wmpfonline.com/article/4830/Admission-Body>
- The Fund will request internal audit approval for application – to assess applying organisation’s risk of business failure.
- The Fund will request Pensions Committee approval for the application.
- Scheme employer/applicant to confirm if bond is required. If so, actuarial assessment is required.
- Fund will arrange for the Fund’s legal advisors Eversheds to circulate the relevant draft agreements for approval.
- Once approved, the admission agreement (and bond agreement if required) must be signed by scheme employer awarding the contract and the contractor. If there is a bond agreement, the bondsman will also need to sign the bond agreement.
- Once all other parties have signed the documents, the City of Wolverhampton Council’s legal department will then sign and seal the agreement(s) on the behalf of the West Midlands Pension Fund.
- Once the agreement(s) have been sealed, it can be backdated to the effective date of the contract (if necessary).
- Legal fees will be payable by the applicant to produce the admission agreement (and bond agreement if required).
- Once the agreements have been sealed and finalised, we will confirm the next steps to the applicant. Upon final receipt of the member data, we will update the member records and notify the member’s accordingly.



Timescale:

Please note an application will take a minimum of three months to process, but we are unable to confirm exact timescales due to various factors which may affect the application progress e.g. receipt of information, data accuracy, decisions on bond requirements and value and all parties agreeing the standard admission and bond agreements.

3) Guarantor

- For an admission body under (3- I.E A PRIVATE COMPANY (SEE SECTION 3 – scheme regulations)), this is automatically the outsourcing scheme employer.

The scheme employer providing the guarantee will assume full responsibility for the admission body’s assets and liabilities in the Fund.

Once Admission Agreement Finalised:

4) Employer Contribution Rate

Once the admission agreement is sealed and the applicant is a scheme employer, the employer contribution rate, confirmed by the Fund, will be payable from the effective date of the admission agreement.

This rate will be subject to review at the next triennial actuarial valuation.

Payment in respect of the ongoing employer contributions should be made no later than the 19th day of the following month.

5) Employee Contribution Rate

Once the admission agreement is signed and sealed, employee pension contributions should be paid to the Fund. The employee contribution rate banding can be found on our website: <http://www.wmpfonline.com/activemember>

The employee contribution rate would be payable from the 'effective date' of the agreement.

Payment should be made by the employer no later than the 19th day of the following month.

6) Monthly Data submissions

Once your agreement is sealed, the Fund will require monthly data submissions from your organisation from the 'effective date' of the agreement. More information can be found on our website: <http://www.wmpfonline.com/monthlysubmissions>

7) Termination of Admission Agreement

Please note that if your contract ends and is not extended or the last active member on the contract leaves employment, your admission agreement will terminate.

If your contract is extended, you must confirm the new contract end date to the Fund as soon as possible, to enable us to update our records.

If your contract ends and you are awarded a new contract by the same organisation (which is a continuation of the previous service provided under the old contract) then, provided that the terms of the new contract **remain the same or broadly similar as the previous contract**, we can arrange for an addendum to the original admission agreement to be produced to reflect the change of contract. Any legal costs for this addendum will be payable by the applicant.

- The addendum will be signed by your organisation, the scheme employer who has awarded the contract, and the Fund.
- If the terms of the new contract are not the same or broadly similar, we will need to terminate the existing admission agreement and you will need to reapply for admission body status.

Upon termination of the admission agreement the assets and liabilities of the admission body shall be subsumed within the Fund by the scheme employer so that no exit payment will be due from, and no exit credit will be payable to, the admission body.