

Avon Pension Fund

Local Government Pension Scheme

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Moving to Academy status and the Local Government Pension Scheme (LGPS)

Background Information

The LGPS is a funded nationwide public service pension scheme. It provides retirement benefits to employees of bodies listed (scheduled) in its governing regulations.

Local Authority and Independent Schools which are granted academy status are required to offer their non-teaching staff membership of the LGPS under the LGPS Regulations. The new academy will become a separate Scheme Employer under the Regulations, which are approved by Parliament.

This means that the non-teaching employees of an academy have the right to join the relevant LGPS Fund. Administration of the LGPS is delivered through a number of regional funds in England and Wales of which the Avon Pension Fund (APF) is one. It administers the LGPS for all relevant employers in the areas of Bath & North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council. The Fund has over 350 participating employers and looks after in excess of 130,000 members.

The Department for Education issued a [briefing note](#) for schools in August 2010 which lays out the pensions implications of becoming an academy. **This emphasises that the school should contact the pensions Administering Authority at the earliest possible stage.** Further comprehensive information was issued in 2017, setting out [arrangements for academies](#) including Multi Academy Trusts.

Process of joining the Avon Pension Fund

Stage One: Prior to contact with the Avon Pension Fund

- Decide on whether the school is joining a pre-existing Multi Academy Trust (MAT), forming a new MAT with other converting academies, or becoming a stand-alone academy.
- Read through supporting documents on the APF website.
- Assure employees already in the LGPS that their membership (and accrued service) will continue in the same way with the new academy.
- Inform any employees that have opted out of the LGPS previously that they will be contractually enrolled into the Scheme at the conversion date, but they have the right to opt out again as an employee of the academy.

Stage Two: Informing Avon Pension Fund

- Contact APF at apf_employeradmissions@bathnes.gov.uk and give details of school name, expected conversion date and whether the school is joining a new MAT, an existing MAT or becoming a stand-alone academy.
- Assign a Lead Officer who will be the main contact for the APF.
- Understand the cost associated with requesting an Actuarial Valuation. The [Charges and Fees](#) document states the cost for academies joining the fund either by themselves, or as part of a group joining a MAT.
- Tell the APF if any services are going to be outsourced after the school has converted
- Inform the APF whether the school has a Children Centre, as these staff will remain the responsibility of the Local Authority.

Stage Three: Completing LGPS academy forms

- The LGPS33A (New Employer Data Request Form) takes the longest to complete so work should begin on this as early as possible. The information in this form will be used in the Actuarial Valuation and needs to be processed by the school, the payroll provider and the APF. To complete this form there are three stages:
 - One: Complete Tab 1 of the form which asks for the school name, new academy name, MAT information, Admission (conversion) date, and Lead Officer details.
 - Two: Send the form to the school's payroll provider, who will then fill in the member information on Tab 2.
 - Three: When the completed form is returned by the payroll provider, the school should "sense check" the information and then send the completed form to APF.
- The LGPS34A (New Academy Details Form) asks for details regarding the new academy, Lead Officer, and contact details for HR, Payroll and Finance. There is also a tick box asking if a Secretary of State order is attached. However, even if the school is awaiting confirmation from the Secretary of State for conversion an Actuarial Valuation can still be produced. Nonetheless, the order should be sent to the APF before conversion.
- The LGPS35A (Appointment of Lead Officer for the LGPS) is used to establish the contact at the school. This form asks for contact details of the Lead Officer and requires a signature from the Head Teacher, Director, or an equivalent level.
- 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. Information on Ill-Health retirements can be found in the "[Ill Health arrangements](#)" document.
 - If the school is joining a MAT these contacts will usually already be set up and arranged with the APF, but check with the MAT first.
 - If the school is becoming a stand-alone academy, this form will need to be completed with two signatories and corresponding medical certificates. A list of approved Medical Practitioners can be provided by the APF.

Stage Four: Actuarial Valuation

- Once the forms have been received, the APF will reconcile the data for each employee against the member records in the pension database.
- The data will then be sent off to the Fund's actuary who will produce an Actuarial Valuation (Summary Paper) which contains the contribution rate, including deficit recovery payments, for the academy.
- Once it is received, the APF will send the "Summary Paper" to the Lead Officer who then needs to communicate details of the contribution rate to the payroll provider.

Stage Five: Becoming an employer in the Fund

- Inform the APF on the day of conversion that conversion has happened. If the conversion is delayed inform the APF as deficit recovery payments would need to be adjusted to reflect a new part year figure.
- The APF Finance team will contact the Lead Officer (or payroll provider) explaining how to pay the contributions.
- The Academy will be given access to the APF employer website where links to relevant tools, information regarding specific pension queries, APF forms, and relevant news and events can be found.

What will the Avon Pension Fund do?

- ✓ Track the school's progress in joining the fund as an academy.
- ✓ Remind the Lead Officer of any forms that need to be completed.
- ✓ Reconcile the submitted information for each employee against the pension database.
- ✓ Arrange training sessions on the LGPS and associated pension responsibilities for representatives from the academy and their payroll provider. These are important and **must** be attended.
- ✓ Allocate the academy to one of the APF Member Services teams.
- ✓ Send regular emails to employers providing information for them and their employees.
- ✓ Hold Employer Forum meetings to provide updates to any changes in the LGPS.

- ✓ Organise an annual Employers' Conference.
- ✓ Write annually to gather the membership information that is required from the academy at the 31st March of each year.
- ✓ Submit the required data to the Fund's Actuary for them to determine the employer's contribution rate at the valuation date for the Fund every 3 years.

Important Information

Deficit Calculation

- Local Authority schools should note that the Actuary will attribute to the academy a share of the local authority's past service deficit in the manner set out in the Funding Strategy Statement. In effect, the transferring deficit is based on the pensionable payroll derived from the LGPS33 and is calculated as the capitalised amount of deficit funding contributions (based on the Local Authority deficit recovery period) the school would have made to the Fund had it not converted to academy status.
- The Deficit Recovery Period (for the purpose of determining the deficit recovery payments) will be the same period as that which applied to the Local Authority that the Academy has left.

Contributions Calculation

- The Employer Contribution Rate will consist of a future service rate and a deficit recovery payment relating to past service.
- In the event that the Employer Contribution Rate is not known prior to the academy conversion date, an interim rate of 20% of pensionable pay will be applied until the correct contribution rate, including deficit recovery payments, have been calculated.
- In addition to the Employer Contributions, the academy will be responsible for collecting Employee Contributions and sending these to the APF
- Contributions will be paid to the APF each month using the LGPS50 form. The necessary forms in respect of the financial year will be sent to the academy by the Fund's Finance Team before the first payment is due.
- The Employer Contribution Rates will be revised at each triennial valuation, the next being at the 31st March 2019 with the new rate effective from 1st April 2020.

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 employers that could be materially affected by the ill health retirement of one or more of their members.
- For those employers in the ill-health captive arrangement, an allowance for ill health retirements has been included in the Employer Contribution Rate.

Multi Academy Trusts

- Each academy is attributed an individual employer number for actuarial reasons. For example, it is used for correctly identifying the pension liability should an academy need to leave one Trust for another and for FRS reporting where disaggregated disclosure reports are required.
- For more information on MATs, deficit transfers and outsourcings, please refer to pages 31 and 32 of the "[Funding Strategy Statement](#)"
- For more detailed information on the MAT pooling procedures, refer to the "[MAT Pooling](#)" factsheet

Employees eligible for LGPS

The LGPS Regulations require the academy to contractually enrol into the LGPS all employees who are under the age of 75 and not otherwise eligible to join the Teachers' Pension Scheme, from the date they become employees of the proprietor of the academy. If an employee does not want to be a member of the LGPS he or she can elect to opt out, but this cannot be done before the date on which his or her employment with the academy proprietor starts. The employee can get an "opt out form" (LGPS04) from APF (also available to download from APF website www.avonpensionfund.org.uk – search "opt out form").

Please note that it is unlawful for you to give an “opt out form” to an employee or to provide advice on whether to opt out or not.

Any employees who elected to opt out of the LGPS while they worked for the school (or for the Local Authority) before it became an academy must still be contractually enrolled into the LGPS on the date the academy comes into being. An “opt-out form” completed when an employee worked for the school (or for the Local Authority) ceases to be valid when his or her employment transfers to the academy.

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

The information in this fact sheet applies to participating employers of the Local Government Pension Scheme. The Factsheet was up-to-date at the time of publication and in the event of any dispute over the duties of a participating employer; the appropriate legislation will prevail as this leaflet is provided for information purposes only.

Updated April 2018

Moving to Academy status and the LGPS - flowchart

Stage One

- School has Intention to convert
- Is the school joining an existing MAT, forming a new MAT, or going stand-alone?
- Read through documents on website

Stage Two

- Contact APF about becoming a scheme employer
- Assign a Lead Officer who will be the principal point of contact
- Tell employees who opted out that they will be auto-enrolled into the LGPS on the conversion date

Stage Three

- Complete LGPS documents from website
- After completing Tab 1 on LGPS33, send it to your payroll provider and ask them to complete Tab 2
- "Sense check" the information on Tab 2
- Send the LGPS33 to APF when you are clear what fees/charges are payable
- Send a copy of the Academy Order to APF (if received)

Stage Four

- APF will process the LGPS33 and send to the Fund's Actuary
- Actuary's Report will be sent to the Lead Officer when received by APF
- Contribution Rates (including Deficit Recovery Payments) need to be communicated to relevant parties within the academy or MAT

Stage Five

- Inform APF school has converted on expected date (or not as the case may be)
- APF Finance Team will contact the academy or MAT about how to pay the contributions
- Academy becomes an employer in the APF

Moving to Academy status and the LGPS - check list

1. Read through relevant documents on APF website
2. Assign Lead Officer to be main contact
3. Inform APF of intention to convert
4. Download and fill out the following forms:
 - a. LGPS33
 - i. Complete Tab 1
 - ii. Send to Payroll Provider
 - iii. "Sense check" information
 - b. LGPS34A
 - c. LGPS35A
 - d. LGPS54
 - i. Obtain two signatures
 - ii. Provide certificates
5. Send completed forms to APF
6. If received, send a copy of the Academy Order
7. Actuarial Valuation received from APF
8. Inform relevant parties of contribution rates
9. Inform APF that the conversion has occurred on the expected date