

Avon Pension Fund

Local Government Pension Scheme

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Transfer of your job to another employer (TUPE)

How will my pension be affected?

What is TUPE?

TUPE refers to the 'Transfer of Undertakings (Protection of Employment) Regulations 2006'. The TUPE rules apply to organisations of all sizes and protect employee rights when the organisation or service they work for transfers to another employer.

Employment rights covered by TUPE include pay and holidays etc. but not pensions.

However, there are Government measures which sit alongside TUPE to ensure that your Local Government Pension Scheme (LGPS) pension is protected when your job is transferred to another employer.

When does TUPE apply?

There are two situations when the TUPE regulations may apply:

1. **Business transfers** – The TUPE regulations may apply if a business or part of a business moves to a new owner and merges with another business to make a brand new employer
2. **Service provision transfers** – The TUPE regulations apply in the following situations:
 - A contractor takes over activities from a client (known as **outsourcing**)
 - A new contractor takes over activities from another contractor (known as **re-tendering**)
 - A client takes over activities from a contractor (known as **in-sourcing**)

How will my pension be affected?

How your pension is affected depends on who you currently work for and where your contract is being transferred to:

- **If you currently work for an academy, free school, foundation, foundation special or voluntary aided school and your contract is being transferred to a private contractor** then they will be required to allow you to continue as a member of the LGPS. Your pension record will automatically be moved to the new employer within the LGPS
- **If you work for a local authority and your contract is being transferred to an employer that already offers membership of the LGPS** then you will be automatically admitted to the LGPS. Your pension record will automatically be moved to the new employer within the LGPS
- **If you currently work for a school that is becoming an academy** then you will be automatically admitted to the LGPS with your new employer at the date of transfer. Your pension will be automatically moved to the new employer within the LGPS.
- **If you currently work for a local authority and your contract is being transferred to a private contractor** then you must be offered either:

1. Continuing membership of the LGPS via an admission agreement. Your new employer arranges this agreement with the LGPS
 2. Membership of a broadly comparable pension scheme. This is a scheme which offers benefits which are broadly comparable with the LGPS. Your new employer organises this scheme.
- **If your current employer is not one of those previously listed** then they are not obliged to offer one of the protections mentioned above, although they may choose to do so.

What is bulk transfer?

If your new employer is providing a broadly comparable pension scheme then a bulk transfer may be undertaken. A bulk transfer is when the two schemes agree to pay over an amount of money to represent the value of the benefits for all those transferring. This could mean that the benefits in the new scheme will be at a more beneficial rate.

You will be provided with the details in writing so that you can make a choice which must be made within 3 months of the date that the option was given to you.

If you decide not to transfer at this point, or did not respond within the deadline, you may be able to transfer at a later date but this would be calculated in the normal manner and not at the beneficial rate.

What is the TUPE process?

As part of the TUPE consultation requirements your current employer will ensure that your new employer has adequate pension arrangements.

Your current employer will tell you if your new employer will provide you with either a broadly comparable scheme or continuing membership in the LGPS via an admission agreement.

If you have been offered a broadly comparable scheme you will be told of details of that scheme and you will be given a form for you to tell your employer and us that you wish to:

- transfer your LGPS pension rights to that scheme, or
- retain your pension rights in the LGPS. If you have more than 2 years membership you are awarded a deferred pension in the LGPS which increases with the cost of living and is payable at your normal pension age. If you have less than 2 years membership you may receive a refund of your contributions less a deduction for tax.

When all the forms are received a bulk transfer may be calculated. This can take some time but, in the meantime, you will be building pension in the new scheme.

If you have been offered continuing membership in the LGPS you do not need to take any action as your pension record will be automatically transferred to your new employer.

What happens if my job gets transferred to another employer again after this one?

The process starts again and your future pension may be protected through the offer of further membership in the LGPS or through a broadly comparable pension scheme. You will have choices again regarding the pension you have built up.

If you are unsure about the impact, in any way, of your job transferring to another employer you should speak to your line manager or HR adviser.

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