

Warwickshire Local Pension Board

Admissions and Termination Policy

20th July 2021

Recommendation

1. That the Local Pension Board review and comment on the amended Admissions and Termination Policy.

1. Executive Summary

- 1.1 Following an amendment to the Local Government Pension Scheme Regulations, the Admissions and Terminations Policy (the policy) of the Warwickshire scheme requires amendment. The proposed amendments provide additional flexibilities in the making of exit payments.
- 1.2 The policy has also been updated to refer to charges the Fund will pass on to employers seeking to join or exiting the Fund.

2. Financial Implications

- 2.1 The spreading of exit payments and deferred debt arrangements for exiting employers enables the Fund and the employer to manage a cessation payment.

3. Environmental Implications

- 3.1 None.

4. Supporting Information

- 4.1 The policy makes it clear (page 2, 1.5) where charges will be applied for work undertaken and page 8, 5.5, and 6.3.1 details how the fees will be invoiced or charged. Appendix 2 is a schedule of current fees.
- 4.2 Following the approval of the Funding Strategy Statement by the Staff and Pensions Committee on 14th June 2021, the Admissions and Terminations Policy is proposed to be amended to reflect changes to the Local Government Pension Scheme Regulations. Briefly, these amendments (highlighted in yellow in Appendix 1,; pages 9 and 10, paragraphs 6.6, 6.7 and 6.8) are:

- The amended regulations enable the administering authority to enter into a deferred debt arrangement with an employer that is leaving the Pension Fund.
- The amended regulations enable an administering authority to spread payment of an exit credit for an employer leaving the Pension Fund. This may be of use where the administering authority does not consider that granting deferred employer status is in the interests of the Fund or other Scheme Employers.

5. Timescales associated with the decision and next steps

- 5.1 The policy will be updated to reflect any comments made by the Board and will be presented to the Staff and Pensions Committee at its meeting in September for approval. Meanwhile, because the policy is reflecting changes agreed by the Committee in the Funding Strategy Statement the policy will be made available on the pension fund's website.

Appendices

1. Appendix 1 The Admissions and Termination Policy.
2. Appendix 2 Current fees.

Background Papers

1. None

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a