

# 1. Introduction

## 1.1. Introduction to Guide

Welcome to the updated and reformatted 2009 version of the Wiltshire Pension Fund Employer's Guide which replaces all older versions.

The purpose of this guide is to be comprehensive and informative on all the main tasks and issues that Employers need to be aware of.

Although this guide is intended to be used as a reference point, rather than something to be read from start to finish, we encourage all Employers to spend some time familiarising themselves with the content. **If you feel you need further information or training please contact [andrew.cunningham@wiltshire.gov.uk](mailto:andrew.cunningham@wiltshire.gov.uk) or telephone 01225 713612.**

New additions to this guide include (relevant for all Employers):

- A brief discussion on the pension implications of the **outsourcing of services**.
- A guide to **Employer Discretions Policy** – every employer is required to have a policy under the Local Government Pension Scheme Regulations (LGPS) completion (see Section 7).

Once fully uploaded it will also include:

- An introduction to **Service Level Agreements (SLA)**. We are currently (March 2009) in the early stages of creating Service Levels Agreements to monitor our own performance and that of all Employers, with the overall goal of maximising efficiency for both parties (further details can be found in Section 8).

## **1.2. A Brief Summary of Employer Responsibilities**

In order for both Scheme Employers and the Wiltshire Pension Fund to minimise administrative work, as well as the need to chase missing data and prevent erroneous data from entering the system, it is vital that each Employer is aware of its responsibilities.

### **Daily/Weekly (or as and when required)**

#### **New Starters**

- Inform employees that they will automatically be admitted into the Scheme (except for *Resolution Bodies* or *Admitted Bodies* where this may not be the case).
- Send employees a Starter Pack, which includes up to two forms that they need to complete.
- Begin to collect contributions from Employee and Employer.
- Complete a Starter Form and send it to us.
- See Section 2 for full details of procedures for new starters.

**Inform us of Changes** to an employee's pay conditions or personal details such as:

- Number of hours worked per week (as soon as they change) and the new and former part-time percentage.
- Employee name, address or National Insurance details.
- Elections to opt-out or opt back in.
- Unpaid Maternity leave etc.
- Reduction or restriction in pensionable pay.
- See Section 3 for full details of procedures for changes in employment.

#### **Leavers, Retirements & Deaths**

- Send us a completed 'Leaver Form'.
- See Section 4 for full details of procedures for Leavers, Deaths and Retirements.

#### **To meet the targets set out in the future the Service Level Agreements**

- These are on-going targets relating the promptness and accuracy of information that you send us.
- See Section 8 for further details on Service Level and Administration Agreements.

### **Monthly**

#### **Contributions**

- Send in 'Contributions Summary Schedule' with your payment or by email if you pay by BACS. Payment and schedule must be with us by the 19<sup>th</sup> of the month (eg. October due by 19<sup>th</sup> November)
- Send in 'Detailed Employees Contributions Report' every month (for Employers with more than 20 employees, or voluntarily for Employers with less than 20 employees)
- See Section 6 for further details of Contributions, Monthly & Annual returns.

### **Annually or Infrequently**

#### **Contributions**

- Employers with less than 20 employees should send in 'Detailed Employees Contributions Report' for the year (this is not necessary if you do this monthly).

- See Section 6 for further details of Contributions, Monthly & Annual returns.

#### **Employer Discretions Policy**

- Complete, update and send us a copy of your Employer Discretions Policy (mandatory).
- See Section 7 for further details of Employer Discretions.

#### **Outsourcing/TUPE Transfers**

- To inform the Wiltshire Pension Fund of any TUPE (or similar) transfers of staff to another organisation at the earliest possible opportunity.
- See Section 9 for further details on outsourcing/contracting out.

**If you feel you need further information or training on any of these areas, please contact [andrew.cunningham@wiltshire.gov.uk](mailto:andrew.cunningham@wiltshire.gov.uk) or telephone 01225 713612.**

### **1.3. Pension Jargon**

We have tried to make this guide as simple as possible, but in certain areas it is difficult to avoid using technical terms. We have therefore provided a list of the most commonly used technical terms.

#### **Additional Regular Contributions (ARCs)**

An arrangement with us to buy additional pension in the Scheme. This replaces what was formally known as Added Years. We take extra contributions from the Scheme members until retirement age

#### **Admission Agreement**

A legal agreement which needs to be signed before a new employer can enter the Fund.

#### **Admitted Bodies**

These are bodies which have an admission agreement with the Pension Fund to allow its employees to join or remain in the Local Government Pension Scheme.

There are 2 kinds of admission bodies – “Community Admission Bodies” (CABs), typically providing a public service for no financial gain and “Transferee Admission Bodies” (TABs), typically operating a service contract with a local authority.

Since TABs are created as a result of outsourcing, they need to enter in to a three way agreement between themselves, the original scheme employer and the Fund. Further details on Admission Bodies can be found in Section 8 of this guide.

#### **AVCs (additional voluntary contributions)**

This is a method of a member topping up their pension benefits by building up a fund of money. This can be used to buy extra pension provision at retirement. We offer an in-house scheme with Clerical Medical.

#### **Deferred Benefits**

A pension and lump sum (depending on circumstances) held for a Scheme member who has left before retirement date. The benefits are held until retirement date and are index-linked to keep pace with inflation.

#### **Employer Discretions**

Discretions that the Employer has under the Regulations which need to be determined and notified to the Fund (you will find information on this in Section 6).

#### **FAVCs**

FAVCs are Free-standing Additional Voluntary Contributions. These are like AVCs, but the Scheme member makes a private arrangement, commonly with an insurance company. The member bears all the administration costs themselves.

#### **LGPS**

The Local Government Pension Scheme

#### **Nomination Form**

A form found in the starter pack which employees should be encouraged to complete as it confirms who they would like their death grant to be paid to.

### **Opting-out**

If an employee (temporary or permanent) decided not to join or decided to leave the Scheme during their employment, they can make a decision to 'opt-out'. It is important that they do so within the first three months of starting to be entitled to a refund of contributions.

### **Pensionable Pay**

This is the salary, wages or fees paid to an employee with the **exception** of:

- Non-contractual overtime
- Travelling or subsistence allowance
- Payments for loss of holidays
- Payments in lieu of notice
- The monetary value of a car or any amount paid in lieu of a car (except existing contracts before 1 January 1993)
- School Achievement Awards

### **Qualifying Membership**

Qualifying Membership is the calendar length of service in the Scheme. This will be exactly the same if someone works part-time or full-time, as it is the length of time that has passed between them joining the Scheme and finally leaving the Scheme.

### **Reckonable Membership**

Actual service in the Scheme used to calculate a Scheme member's pension and lump sum (where applicable).

### **Resolution Body**

These are bodies which must specify their employees as being *pensionable* by passing a Statutory Resolution (typically Town and Parish Councils).

### **Retirement Grant**

A lump sum (where applicable) made when a Scheme member retires. It is usually sent to the member's home address in the form of a cheque.

### **Scheduled Bodies**

Scheduled Bodies are automatically eligible bodies under the LGPS Regulations, which do not need an admission agreement.

These are currently: Wiltshire Council, FE Colleges, Wiltshire & Swindon Fire Authority, Wiltshire Police Authority, Thamesdown Passenger Transport, Wiltshire Probation Service and Swindon Academy.

### **Statutory Notification**

A statement sent to scheme members showing the information about their pension record held by the Fund. A copy is sent to the employer to keep as a record of the member's pensionable history.

### **Statutory Resolution**

A resolution passed by Town and Parish Councils stating that a specified employee or a group of employees may join the Scheme.

**Variable-time Employee**

An employee whose pay is calculated by reference to duties rather than the number of hours worked or an employee whose duties only have to be performed on an occasional basis (eg. Returning Officer or Registrar).