

By: Director of Finance  
To: Superannuation Fund Committee – 7 March 2008  
Subject: **APPLICATION FOR ADMISSION TO THE FUND**  
Classification: Unrestricted

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Summary: To report on the request from Kent & Medway NHS Trust & Social Care Partnership to participate in the Superannuation Fund

### **FOR DECISION**

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1. In 2002, following the establishment of the West Kent NHS & Social Care Trust, Medway Council seconded its mental health services to the Trust for a period of two years. In 2006, West Kent NHS & Social Care Trust merged with East Kent NHS & Social Care Partnership to form the Kent & Medway NHS Trust & Social Care Partnership. The new organisation inherited the existing staff secondment arrangements.
2. Medway Council decided in January 2007 to undertake a fundamental review which would look at three areas, including the staff secondment arrangements. The review found that the employees should be employed by the Kent & Medway NHS Trust & Social Care Partnership.
3. There are forty eight employees who will be transferred to the Kent & Medway NHS Trust & Social Care Partnership on 1 April 2008. The employees would be eligible to join the NHS scheme upon transfer to the new employer. The NHS scheme will be changing from 1 April 2008. The most significant of these changes are that the final salary will be based on the average of the last three years rather than the highest and the normal retirement age will be 65 instead of 60.
4. The NHS scheme changes are significant and the Kent & Medway NHS Trust & Social Care Partnership are considering the option, subject to Board approval, of transferring the employees on 31 March 2008. They would then be eligible to join the current NHS pension scheme.
5. Medway Council did not look at pension arrangements until after their fundamental review of health services had been completed. Consequently this was too late for a bulk transfer arrangement to be considered in the event that the transferring employees wish to join the NHS scheme. Any transfer will have to be on an individual basis. This may be less beneficial to the employees.

6. In order to provide choice to the employees of their future pension arrangements, the Kent & Medway NHS Trust & Social Care Partnership have made an application to join the Kent Pension Scheme.
7. The application has been made under Regulation 5(2) (a) (i) of the Local Government Scheme Regulations. There is no requirement under this Regulation for a form of Bond or indemnity to be provided. Medway Council have indicated that they are not prepared to act as guarantor to meet any deficit or unpaid pension contributions should the Kent & Medway NHS Trust & Social Care Partnership cease to participate in the Kent Pension Scheme. The fund actuary has been asked to reflect this decision in his calculation of the employer contribution rate.
8. NHS Trusts are established as bodies corporate and may be dissolved by the Secretary of State. Upon dissolution of an NHS Trust the Secretary of State must transfer the property rights and liabilities of that Trust to a Health Authority, another NHS Trust, a Primary Care Trust or the Secretary of State. In the event that the Kent & Medway NHS Trust & Social Care Partnership ceases to exist, there would be a successor body to accept liability for any pension deficit.
9. The completed questionnaire and Memorandum and Articles have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. Legal Services have given a favourable opinion.

### **RECOMMENDATION**

10. Members are asked to agree the admission of Kent & Medway NHS Trust & Social Care Partnership to the Pension Fund.

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