

By: Chairman Superannuation Fund Committee
Director of Finance

To: Superannuation Fund Committee – 6 March 2009

Subject: **APPLICATION FOR ADMISSION TO THE FUND**

Classification: Unrestricted

Summary: To report on the request from Ridge Crest Cleaning Limited to participate in the Superannuation Fund

FOR DECISION

1. Homewood School, Tenterden outsourced their school cleaning to Ridge Crest Cleaning Limited (Ridge Crest) in November 2008. Three employees were TUPE transferred from Homewood School to Ridge Crest at that time. However, the pension arrangements of those employees had not been considered as part of the TUPE transfer i.e either seek admitted body status to the LGPS or provide a broadly comparable pension scheme.
2. Ridge Crest is a private limited company providing commercial cleaning services. Ridge Crest approached the Fund with a view to seeking admitted body status in mid December 2008 and their completed application was received in mid January 2009.
3. As referred to in 1, above, three employees were transferred from Homewood School to Ridge Crest in November 2008. Those employees were therefore no longer eligible to remain in the LGPS as their employment with the school had ended and the new employer (Ridge Crest) was not an employer in the LGPS. If the application for admission to the Fund is approved then it is possible for Ridge Crest to make contributions to the Pension Fund to 'buy' the period of service from the date the employees were transferred from Homewood School to the date Ridge Crest join the LGPS.
4. The application has been made under Regulation 6(2)(a)(i) of the Local Government Pension Scheme (Administration) Regulations 2008, as amended. Under this Regulation, there is a requirement for a form of bond or indemnity to be provided. The bond/indemnity is actuarially assessed to cover the costs of early retirement in the event of redundancy. The weighted average age of the transferring employees is 40.6 years and therefore no one is eligible for early retirement. The actuary has assessed the level of the bond/indemnity to be nil for the first year of the contract.
5. The completed questionnaire and pro forma 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

6. Members are asked to agree the admission of Ridge Crest Cleaning Limited.

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