

Lancashire County Pension Fund

Introductory Guidance for Academies participating in the Local Government Pension Scheme

Welcome to the Local Government Pension Scheme (LGPS)

This document provides you with essential information that you will need to consider in relation to achieving your new status as an Academy and Scheme Employer in the Local Government Pension Scheme (LGPS).

When schools are granted 'Academy' status they become a Schedule 2, Part 1 Scheme Employer under The Local Government Pension Scheme Regulations 2013. This applies equally to Free Schools, Studio Schools and University Technology Colleges.

For Academies which form part of a Multi Academy Trust (MAT) it is the proprietor of the Trust which is the Scheme Employer within the Pension Fund and not each individual Academy within the Trust. However for ease of administration each Academy will normally be set up under a separate employer reference within the fund. It may also be practical to have a separate employer reference for central administrative staff if appropriate.

As a Scheme Employer you have a number of pension administration responsibilities that you need to undertake, see –

[LGPS Employer Responsibilities - Pension Fund \(lancashirecountypensionfund.org.uk\)](https://www.lancashirecountypensionfund.org.uk)

It is essential that someone in your organisation is familiar with Scheme Employer responsibilities and understands your role as an employer within the Scheme.

Note that the LCPF operates various policies including an Admission and Termination Policy which can be found in the 'Publications' section of the Fund's website at [Publications - Pension Fund \(lancashirecountypensionfund.org.uk\)](https://www.lancashirecountypensionfund.org.uk)

ACADEMY ADMISSION PROCEDURE

Notification of a School's Conversion to Academy status

Once a School has decided that they wish to convert to Academy status, LCPF will notify LPPA of the date of conversion. The School or Trust needs to complete and return the following so that scheme member records can be updated to reflect the new employer, and so that the Academy can meet their administrative responsibilities as a Scheme Employer:

- **Academy's Employee Spreadsheet** - provide membership details of the staff that are in the LGPS or are eligible to join.
- **Authorisation Form(s)** – to fulfil your obligations as a Scheme Employer within the LCPF, you will need to register for LPPA's Secure Employer's area.
- **Payroll Provider Form** – if you outsource payroll, you will need to authorise that payroll provider to be able to submit data to LPPA.
- **LPPA Payroll Provider Information** – this gives information to LPPA on how you will submit data on your data collection file.
- **Contacts Form** – ensure that you receive important communications about the pension scheme.
- **Direct Debit Mandate** – this will be issued to you by LCPF Finance team

The above forms can be found here [LGPS Employer Responsibilities - Pension Fund \(lancashirecountypensionfund.org.uk\)](https://www.lancashirecountypensionfund.org.uk)

The completed documents should be returned to LCPF.Employerriskandgovernance@lancashire.gov.uk If you have any queries about the completion of the documents, please don't hesitate to contact us.

Please also return the Academy Order and Funding Arrangement when available.

Fees

The Lancashire County Pension Fund operates an Admission and Termination Policy which can be found in the 'Publications' section of the Fund's website at

[Publications - Pension Fund \(lancashirecountypensionfund.org.uk\)](https://www.lancashirecountypensionfund.org.uk)

This document outlines the administration fees payable to the Fund to set up the Academy, which are currently £350 + VAT.

Validation of Membership Data and Actuarial opening position calculation

In line with LCPF's Admission and Termination Policy, the Academy will normally take on the rate of the Local Education Authority the pre-Academy status School came under. The opening deficit will be calculated using an actuarial model which allocates a share of the LEA's deficit at the most recent valuation of the Fund. This is subject to change at the Fund's triennial valuations.

For the opening funding calculation, LPPA will check the membership data and liaise with the school to resolve any queries.

If actuarial fees are payable for the calculation of the opening position, these will be passed on to the Academy.

Requirements following conversion

The LGPS is a qualifying pension scheme under the automatic enrolment provisions of the Pensions Act 2008.

All eligible non-teaching staff (including new joiners) will have a legal right to be members of the above Scheme.

You have Automatic Enrolment responsibilities as a new employer, see

[Re-enrolment for schools and academies | The Pensions Regulator](#)

On the date of conversion scheme members who transfer over to the Academy will be treated as having continuous membership in the Scheme, and all existing eligible staff who are not members of the Scheme must be automatically brought into the Scheme. They do have the right to opt out, if they wish.

The Academy will have no discretion to provide alternative pension arrangements for employees who are eligible to be members of the LGPS.

Any non-teaching staff who paid additional pension contributions (other than their normal monthly LGPS pension contributions) at the point of conversion, in respect of either Additional Voluntary Contributions (AVCs), Additional Regular Contributions (ARCs), Additional Pension Contributions (APCs) or Added Years **must have these contracts ceased on the day before the Academy conversion. The converting school /Academy should bring this to the attention of the payroll provider /affected employees.**

Employees can if they want to continue new contracts under the new Academy (though employees can no longer enter ARCs contracts), but in order to do so **MUST** either.

1. In respect of AVCs - contact the AVC Provider directly. Please find contact details here [Additional Voluntary Contributions \(AVC\) • Local Pensions Partnership Administration \(lppapensions.co.uk\)](#)
2. in respect of APCs/Added Years - contact LPPA [Contact Us • Local Pensions Partnership Administration \(lppapensions.co.uk\)](#) requesting that contributions are continued under the new 'Academy' employer. For Added years contracts they only have 3 months from the conversion date to restart these contracts and pay the missing contributions.

FRS101/102

Following your conversion to Academy status, you will need to arrange the provision of pension figures for your accounts. We undertake an exercise each year for the provision of accounting schedules by the fund actuary, Mercer. If you do not wish to use Mercer, you will need to let us know. Please ensure that you include appropriate finance contacts when submitting the contacts form, and we will contact you directly each July LCPF.Employerriskandgovernance@lancashire.gov.uk

Please note the Actuary's fees for the provision of this information will be forwarded on to the Academy.

The cost of the first report can be up to approximately £1,000 + VAT and subsequent reports approximately £135 + VAT (at current rates). An administration fee of £200 + VAT is also payable to the Fund.

Outsourcing Services

If you intend outsourcing a service or function there will be pension implications in respect of those employees who may be transferred under TUPE and are eligible for membership of the LGPS.

Under the Fair Deal Arrangements, staff who are members of a public service pension scheme and who are compulsorily transferred out of the public sector, and who remain continuously employed on the delivery of the outsourced service or function, will remain eligible to be members of their public service pension scheme

[Fair Deal for staff pensions: staff transfer from central government \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

You will need to ensure that any potential bidders are aware that they are required to offer the LGPS, by seeking admittance to the Lancashire County Pension Fund in respect of those employees. The contractor will need to enter into an Admission Agreement and will have administrative and financial responsibilities as a Scheme Employer. There are costs involved in entering into an Admission Agreement, and you should ensure that potential bidders are aware of these costs early in the procurement process. The administrative and actuarial fees are outlined in the [Prospective Employer web pages – Admitted Body Guidance](#)

The Academy will also need to be party to the admission agreement, and will potentially take on any liabilities when the admission agreement ends, should they not be recoverable from the contractor. To mitigate this risk, the Academy may require the contractor to take out a bond or other guarantee. [Further details are outlined in LCPF's Admission and Termination Policy.](#)

NEXT STEPS

For the Fund to start the valuation process we will need -

- Confirmation of the full name of the Academy and date of conversion
- Completed Academy's Employee Spreadsheet of the LGPS staff who will transfer to the new Academy
- Written acceptance of the fee of £350 +VAT

In due course we will also require -

- Completed Authorisation Form(s) to nominate payroll providers/individuals to submit forms, contributions remittances, and the monthly Data Collection file via LPPA's Secure Employer Area.
- Completed Contacts form
- Completed Direct Debit Mandate
- Academy Order and Funding Arrangement

Induction as a new Scheme Employer

To help you get started and ensure you are fully aware of your responsibilities as an LGPS Scheme Employer, LPPA can provide an induction and other training and support

[Training • Local Pensions Partnership Administration \(lppapensions.co.uk\)](https://lppapensions.co.uk)

If you have any queries about Academy conversion or anything in this document, please contact LCPF.employerriskandgovernance@lancashire.gov.uk