

SCHEDULE 21

Bulk Transfer Terms

This is Schedule 21 comprising the Bulk Transfer Terms

between

CUMBRIA COUNTY COUNCIL

and

LANCASHIRE COMBINED FIRE AUTHORITY

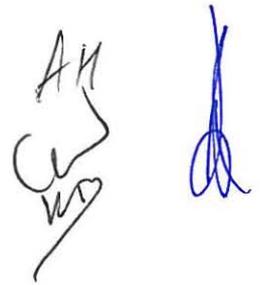
and

MERSEYSIDE FIRE AND RESCUE AUTHORITY

and

BALFOUR BEATTY FIRE AND RESCUE NW LIMITED

AM
CW
WD



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1. INTERPRETATION AND DEFINITIONS

In this Schedule, unless the context otherwise requires, the following terms shall have the meanings given to them below:-

“Actuary’s Letter”	means the letter from the Administering Authorities’ Actuary, a copy of which has been attached to this Schedule;
“Administering Authorities’ Actuaries”	means Mercer Limited, Mercury Court, Tithebarn Street, Liverpool, L2 2QH, or another actuary appointed by the Administering Authorities for the purposes of this Schedule;
“AVCs”	means AVCs or SCAVCs as defined in the LGPS Regulations;
“Contractor’s Actuary”	means Towers Watson Belvedere, 12 Booth Street, Manchester, M2 4AW, or another actuary appointed by the Contractor and/or relevant sub-contractor for the purposes of this Schedule;
“Contractor’s Scheme”	means the pension scheme or schemes nominated by the Contractor and/or relevant sub-contractor in accordance with clause 31.7.1 of this Agreement;
“Due Date”	means the date 28 days after the last of the conditions in paragraph 3.6 of this Schedule has been satisfied;
“Fund”	means the Merseyside Pension Fund within the LGPS;
“Transfer Amount”	means the amount or amounts referred to in paragraph 3.1 of this Schedule; and
“Transferring Member”	means an Eligible Employee who agrees to a transfer of benefits being made for him or her from the Fund to the Contractor’s Scheme under paragraph 2 of this Schedule.

2. THE CONTRACTOR’S SCHEME

The Contractor shall (and shall procure that each relevant sub-contractor shall) invite each Eligible Employee who joins the Contractor’s Scheme in accordance with clause 31.7.1 of this Agreement to consent to a transfer of benefits being made for him from the Fund to the Contractor’s Scheme. The Contractor and/or relevant sub-contractor must issue this invitation no later than one (1) month after the Relevant Transfer Date. The invitation must be in a form acceptable to the Authorities and the Administering Authorities (such acceptance not to be unreasonably withheld or delayed by the Authorities) and which complies with any requirements of the LGPS Regulations. Any Eligible Employee wishing to consent to a transfer of benefits must notify the Contractor and/or relevant sub-contractor of this consent in writing no later than three (3) months after the date of the invitation. The Contractor shall (and shall procure that each relevant sub-contractor shall) provide the Authorities and the Administering Authorities with the names of the Transferring Members no later than four (4) months after the Relevant Transfer Date.

3. TRANSFER PAYMENT FROM THE FUND

- 3.1 The Authorities shall use reasonable endeavours to ensure that the Administering Authorities transfer from the Fund to the Contractor's Scheme on the Due Date an amount in respect of the relevant Transferring Members' service in the Fund before the Relevant Transfer Date calculated in accordance with the Actuary's Letter and the LGPS Regulations.
- 3.2 As soon as reasonably practicable following the Relevant Transfer Date, the Contractor shall (and shall procure that each relevant sub-contractor shall) promptly provide all data within its possession or under its control which the Administering Authorities and the Administering Authorities' Actuaries may require for the calculation of the Transfer Amount and shall warrant that this data is in all material respects true, complete and accurate.
- 3.3 As soon as reasonably practicable following the Relevant Transfer Date, the Authorities shall promptly provide all data within its possession or under their control which the Administering Authorities and the Administering Authorities' Actuaries may require for the calculation of the Transfer Amount and shall warrant that this data is in all material respects true, complete and accurate.
- 3.4 The Authorities shall use their reasonable endeavours to procure that:-
 - 3.4.1 as soon as reasonably practicable after the Administering Authorities' Actuaries have been provided with the necessary data and information, the Administering Authorities' Actuaries shall calculate the Transfer Amount in accordance with the Actuary's Letter and the LGPS Regulations; and
 - 3.4.2 within one (1) week of completing this calculation, the Administering Authorities' Actuaries shall notify the Contractor's Actuary in writing of the particulars of the calculation and the data on which the calculation is based.

The Contractor's Actuary will then have one (1) month (or such longer period as the parties may agree) from the date on which those particulars and data have been supplied to him in which to object in writing that the calculation is incorrect or not in accordance with the Actuary's Letter. The calculation shall be final and binding on the parties if the Contractor's Actuary raises no objection within this stated period.

- 3.5 If the Contractor's Actuary objects in writing under paragraph 3.4 of this Schedule and the Administering Authorities' Actuaries and the Contractor's Actuary cannot subsequently agree the Transfer Amount within one (1) month (or such longer period as shall be agreed between the parties) of the objection, then the amount shall be determined by an independent actuary to be nominated by the Administering Authorities and the Contractor and/or relevant sub-contractor jointly or, if they cannot agree, by the President of the Institute of Actuaries on application by either party. The independent actuary shall act as an expert and not as an arbitrator, and his decision shall be final and binding on the parties. The independent actuary's costs shall be payable equally by the Administering Authorities and the Contractor and/or relevant sub-contractor.
- 3.6 Payment to the Contractor's Scheme of the Transfer Amount shall only be made on the following conditions:-
 - 3.6.1 the Transfer Amount has been agreed or determined under paragraph 3.4 or 3.5 of this Schedule and in accordance with the LGPS Regulations;

- 3.6.2 the Inland Revenue has consented to the making of the payment (which consent the Authorities and the Contractor and/or relevant sub-contractor shall use reasonable endeavours to obtain);
- 3.6.3 the Contractor and/or relevant sub-contractor has complied with all its obligations under this Schedule; and
- 3.6.4 the trustees of the Contractor's Scheme have confirmed in writing that:-
- (a) a payment should be made in accordance with the LGPS Regulations and that they shall accept payment on the terms set out in paragraph 4 of this Schedule;
 - (b) they shall accept liability for each Transferring Member's accrued contracted out rights under the Fund; and
 - (c) they shall accept the Transfer Amount in full and final settlement of all claims against the Fund in respect of each Transferring Member.
- 3.7 [The payment of the Transfer Amount shall be satisfied by the transfer of readily marketable stocks and shares of the Fund as agreed by the Administering Authorities and the trustees of the Contractor's Scheme having a mid-market value on the day before the Due Date equal to the Transfer Amount. If the Administering Authorities and the trustees of the Contractor's Scheme are not able to agree some or all of the particular assets to be transferred, or the mid-market value of any such assets, the payment of the Transfer Amount (or the appropriate part of it) shall be satisfied by the Fund transferring cash equal to [] per cent ([]%) of that part of the Transfer Amount in respect of which there has been no agreement as to the assets to be transferred.]

4. PAST SERVICE BENEFITS

The Contractor shall (and shall procure that each relevant sub-contractor shall) ensure that:-

- 4.1 the Contractor's Scheme provides in respect of each Transferring Member such benefits as the Administering Authorities' Actuaries certify to be of actuarially equivalent value [(in accordance with the Actuary's Letter)] to the benefits which would have been payable under the LGPS in respect of the Transferring Member's service before the Relevant Transfer Date if he had remained a member of the LGPS.
- 4.2 The Transfer Amount will, subject only to Inland Revenue Limits, be wholly applied in the Contractor's Scheme for the provision of the benefits mentioned in paragraph 4.1 of this Schedule.

5. ADDITIONAL VOLUNTARY CONTRIBUTIONS

Nothing in this Schedule shall apply to AVCs or to benefits secured by them. However, the Authorities shall use reasonable endeavours to ensure that the assets representing each Transferring Member's AVCs in the Fund (if any) shall be transferred to the Contractor's Scheme. The Contractor shall (and shall procure that each relevant sub-contractor shall) ensure that the Contractor's Scheme provides benefits for each relevant Transferring Member which are equivalent to the assets transferred.

6. **NO ASSISTANCE**

The Contractor shall not (and shall procure that each relevant sub-contractor shall not) encourage or initiate or assist or facilitate any action or provide any financial assistance for the purpose of requiring the Fund to pay an amount larger than the Transfer Amount to the Contractor's Scheme in respect of the Transferring Members.

7. **EXIT PROVISIONS**

7.1 The Contractor undertakes to the Authorities (for the benefit of the Authorities themselves and for the Authorities as agent and trustee for the benefit of the Eligible Employees that on:-

7.1.1 the expiry or termination of this Agreement; or

7.1.2 the expiry or termination of any sub-contract in the case of a relevant sub-contractor; or

7.1.3 the employment of any Eligible Employee transferring to a New Employer in accordance with clause 31.12 of this Agreement (or otherwise),

the Contractor shall (and shall procure that each relevant sub-contractor shall) procure that the trustees of the Contractor's Scheme offer bulk transfer terms in respect of the relevant Eligible Employees' service in the Contractor's Scheme to the pension scheme of the Authorities, any Future Service Provider (or their sub-contractors), any new sub-contractor or any New Employer (as applicable) which are no less favourable (in the opinion of the Administering Authorities' Actuaries or an actuary appointed by the Authorities) than the bulk transfer terms set out in the Actuary's Letter.

7.2 If the transfer payment paid by the trustees of the Contractor's Scheme is less (in the opinion of the Administering Authorities' Actuaries or an actuary appointed by the Authorities) than the transfer payment which would have been paid had paragraph 7.1 of this Schedule been complied with, the Contractor shall (and/or shall procure that each relevant sub-contractor shall) pay to the Authorities, any Future Service Provider (or their sub-contractor), any new sub-contractor or any New Employer (as appropriate) (or as such person shall direct) the amount of the difference.

8. **AUTHORITIES' COSTS**

Any costs of the Authorities necessarily and reasonably incurred in connection with this Schedule shall be borne by the Contractor.



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