Admission and Exit Policy
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1. **Introduction**

1.1 The Northern Ireland Local Government Officers’ Superannuation Committee (‘NILGOSC’), is the administering authority for the Local Government Pension Scheme Northern Ireland (‘the Scheme’). The Scheme is governed by Regulations, which change over time. The principal regulations are the Local Government Pension Scheme Regulations (Northern Ireland) 2014.

1.2 There are currently over 170 employers participating in the Scheme, including all Northern Ireland’s Councils, the Education Authority and employers from across the public sector in areas such as education, housing, charities, promotion of tourism and industry and many others. There are also a number of private sector employers, admitted in relation to employees working in services outsourced by an employer in the Scheme.

1.3 This Policy document is supplementary to the general funding policy of the Fund as set out in the Funding Strategy Statement, which is available from our website.

1.4 NILGOSC welcomes new employers to the Scheme regularly. This document sets out the process for an employer to be admitted to the Scheme. It also sets out NILGOSC’s policy on admissions.

1.5 An admission may come to an end for a number of reasons. This document also sets out the circumstances which may lead to the exit of an employer from the Scheme and the steps that will be taken where an exit is expected or has occurred.

2. **Admission Procedure and Policy**

2.1 **Introduction**

2.1.1 An employer who wishes to join the Scheme may apply to NILGOSC for admission. If admitted, that employer becomes an Admission Body and its employees can participate as members of the Local Government Pension Scheme Northern Ireland.

2.1.2 NILGOSC is responsible for deciding whether an application from an employer to become an Admission Body within the Scheme should be declined or accepted. It is a pre-requisite that the employer must meet the conditions set out in the Regulations. However, admission is not automatic. Even where the requirements of the Regulations are met, the Committee has discretion to accept or reject any application.¹

2.2 **Admission Procedure**

2.2.1 Outline of Procedure

(a) Employer submits an application to NILGOSC with supporting documentation

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¹ See Schedule 2, Part 1, Paragraph 1 of the Local Government Pension Scheme Regulations (NI) 2014
(b) NILGOSC acknowledges receipt and requests any additional information needed, e.g. actuarial work may be required. A paper is prepared by NILGOSC staff for consideration by the Committee.

(c) The application is considered by the Committee at its monthly meeting.

(d) The Committee may refuse or approve the application. An approval may be subject to conditions including, for example:
   (i) The completion of an admission agreement as required by the Regulations.
   (ii) A risk assessment, taking account of actuarial advice, as required by the Regulations, which is satisfactory to the Committee (where so required by the Regulations or otherwise) and the Sponsoring Employer, where appropriate
   (iii) The provision of a guarantee, indemnity or bond, which is satisfactory to NILGOSC, as required by the Regulations, where the risk is such as to require it.
   (iv) Other conditions considered necessary to protect the interests of the Scheme and the participating employers

(e) NILGOSC will seek the guidance of the Scheme Actuary with regard to the appropriate initial employer contribution rate. (Please see Section 3.1 for further information.) There may be fees incurred, which would be recharged to the employer.

(f) The risk assessment that is carried out must take account of actuarial advice, as this is required by the Regulations. Usually a prospective Admission Body will agree for NILGOSC to instruct the Scheme Actuary to carry out the risk assessment. The Scheme Actuary will assess the quantum of any deficit that may be left in the Fund if the Admission Body were to leave the Scheme prematurely by reason of insolvency, winding up or liquidation. However, it does not generally provide an indication of the likelihood of such an event occurring. NILGOSC and, where appropriate, the Sponsoring Employer will take into account both the risk exposure and the perceived likelihood of the failure of the body in deciding upon the measures to be put in place. Again, there would be a fee for the work carried out by the Scheme Actuary and this would be recharged to the Admission Body. Where the prospective Admission Body instead elects to carry out the risk assessment (either themselves or by commissioning a third party) taking into account actuarial advice from a different source, this must be done to the satisfaction of NILGOSC (and the Sponsoring Employer where appropriate).

(g) Where it is required by the Regulations\(^2\), the Department for Communities will be asked for its approval of the application. The Department may also apply conditions to its approval.

(h) The Admission Body must satisfy all the conditions of NILGOSC and, where required, of the Department for Communities.

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\(^2\) The approval of the Department for Communities is required for an admission under Schedule 2, Part 1, Paragraph 2(1)(a)(ii). Please see also paragraph 2.4.2.1 of this document.
(i) The parties will enter into formal legal agreements, including:

(ii) Admission Agreement
This is a deed setting out the rights and responsibilities of the new Admission Body and of NILGOSC.
In an outsourcing, the Sponsoring Employer who is outsourcing the service to the new Admission Body will also be a party to the Admission Agreement and, under its terms and under the Regulations, the Sponsoring Employer will be liable for any default by the new Admission Body.

(ii) Guarantee Agreement (where required by NILGOSC)
This will usually have three parties – the guarantor, the Admission Body and NILGOSC. In an outsourcing, the Sponsoring Employer will usually also be a party to the Guarantee Agreement.
Please note that NILGOSC’s admission and guarantee agreements will generally be standard and non-negotiable, drawn up on advice from the Scheme Actuary and NILGOSC’s legal advisers and tailored to the particular circumstances.

(j) In some circumstances, such as mergers where one or more parties is an existing employer in the Scheme, it may be necessary to deal with prior liabilities in the Scheme. This may be achieved by transferring the liabilities to the new Admission Body by entering into a formal legal agreement, known as an apportionment agreement, or by payment of any deficit in respect of those liabilities. NILGOSC may obtain any necessary legal or actuarial advice and any fees would be recharged to the new Admission Body or split as agreed by all parties between the Sponsoring Employer and the new Admission Body.

(k) In an outsourcing, it will usually be required by NILGOSC that the new Admission Body commences on a fully funded basis. The Scheme Actuary will certify any sum that is due from the Sponsoring Employer to NILGOSC and the Sponsoring Employer pays this sum. Any associated actuarial fees would be recharged to the Sponsoring Employer.

2.2.2 Please note that the above is an outline of a typical admission process. Each application is treated individually and there may be additional or different steps required. NILGOSC staff will be happy to answer any queries you may have as a prospective applicant and to offer support and guidance throughout the application process.

2.3 Policy on Admissions -

2.3.1 The overriding principles that NILGOSC takes into account in considering an application for admission are:
• The employer must meet the requirements of the Regulations
• The admission is not expected to have a detrimental impact on any employers or other stakeholders in the Scheme.
2.4 **The Regulations**

2.4.1 As set out above, an employer must satisfy the requirements of the Regulations in order to be considered for admission to the Scheme. The fundamental requirement is that the employer meets the definition of an eligible admission body.

2.4.2 **Definition of Admission Body**

2.4.2.1 The Regulations only permit NILGOSC to enter into an admission agreement with an admission body. The definition of an admission body is contained in Schedule 2 to the 2014 Regulations, which sets out a number of categories summarised below (please see the Regulations for the full definitions):

(a) a body which provides a public service in the United Kingdom otherwise than for the purposes of gain and which either-
   (i) has sufficient links with an existing employing authority in the Scheme to be regarded as having a community of interest; or
   (ii) is approved by the Department for Communities for the purpose of admission to the Scheme.

(b) a body who receives some or all of its funding from one of the employers in the Scheme;

(c) a body representative of local authorities; local authorities and their officers; officers of local authorities for specific consultation purposes; or employing authorities;

(d) a statutory undertaker (that is a body authorised by any statutory provision to carry on certain transport functions or certain functions for the promotion of industrial development or tourism).

(e) a non-statutory undertaker (that is a body similar to a statutory undertaker but without being set up or authorised under legislation)

(f) the managers of a voluntary school within the meaning of Article 2(2) of the Education and Libraries (Northern Ireland) Order 1986- for example, a the board of governors of a voluntary grammar school;

(g) the governing body of an institution of further education within the meaning of the Further Education (Northern Ireland) Order 1997;

(h) a body that is providing a service in connection with the exercise of a function of an employer in the Scheme as a result of the transfer of the service by means of a contract or other arrangement. In this document, this is referred to as an outsourcing arrangement.
   (Note – admission is limited to the employees engaged in providing that outsourced service.)

(i) a body that is providing a public service and which is approved by the Department for Communities for the purposes of admission to the Scheme.
2.5 **No Detrimental Impact**

2.5.1 Under the principles of good governance, it is important that a robust approval process is in place when determining whether a body should be allowed to enter into an admission agreement. NILGOSC will consider each application on its own merits. NILGOSC has the right to approve or reject any application.

2.5.2 NILGOSC is responsible for deciding whether or not the admission is expected to have a detrimental impact on any employers or other stakeholders in the Scheme, having regard to the appropriate legal and actuarial advice. It will not accept an application where the admission is expected to have a detrimental effect.

2.5.3 Matters that NILGOSC will take into account in deciding whether or not it is in the best interests of the Scheme to approve an application for admission will include:
- The Funding Strategy Statement and the financial position of the prospective Admission Body
- The requirement for a Bond, Indemnity or Guarantee
- Any actuarial or legal advice
- Any individual circumstances relevant to the application

2.6 **Funding Strategy Statement and Financial Position**

2.6.1 NILGOSC will take account of the Funding Strategy Statement in considering every application for admission. The aims of the Funding Strategy are to ensure or promote:
- Stability of employer contribution rates while achieving and maintaining Fund Solvency
- Sufficiency of resources to meet liabilities as they fall due
- Effective management of the Fund’s liabilities
- Income Maximisation

2.6.2 NILGOSC will not admit an employer as an Admission Body in the Scheme where it considers that the admission would risk the stability or solvency of the Fund.

2.6.3 NILGOSC will therefore consider the financial position of any employer applying for admission and its ability to meet its contributions under the Scheme. NILGOSC may require additional information from a prospective Admission Body to enable it to properly consider its financial circumstances.

2.7 **Bond, Indemnity or Guarantee**

2.7.1 It is important to minimise the risk that a new Admission Body might create for the Fund and the other employers in the Scheme. This risk will be taken into account by NILGOSC in considering the application for admission. It may put in place conditions on any approval of admission to the Scheme to minimise this risk.

2.7.2 A risk assessment is required for all admissions as set out in the Regulations. Where the risk is such as to require it, the Regulations require that a bond or indemnity is put in place or, where this is not desirable, that a guarantee is put in

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3 Schedule 2, Part 2, Paragraph 2
place. Where a bond, indemnity or guarantee is to be put in place it must be from a source and in a form acceptable to NILGOSC.

2.7.3 **The Risk** - If the new Admission Body later exits the Scheme, there may be a deficit in the funding of its liabilities. The risk relates to the Admission Body’s ability to meet such a deficit.

2.7.4 An exit can occur for a number of reasons, which are discussed in further detail below in Section 5 - Exiting the Scheme. Under the Regulations, when an Admission Body leaves or is likely to leave the Scheme, an exit valuation is carried out by the Scheme Actuary on an appropriate basis. If there is a deficit, an exit payment falls due for payment from the Admission Body.

2.7.5 If the Admission Body is unable to meet the exit payment, NILGOSC will issue a demand for payment from a guarantor or any insurer or person providing an indemnity or bond in respect of the liabilities.

2.7.6 Where the liabilities cannot be fully met by a guarantor or insurer, the Regulations provide that:
- the Sponsoring Employer will be liable in an outsourcing situation; and
- in all other cases the liabilities will fall on all the other employing authorities within the Scheme.

2.8 **Risk Assessment**

2.8.1 In order to reduce the risk of the liabilities being unfunded at the point of exit, the Regulations require that a risk assessment be carried out, taking account of actuarial advice, on the level of risk arising on premature termination on insolvency, winding up or liquidation. This assessment is carried out by the Admission Body to the satisfaction of NILGOSC, except where it is an outsourcing. In an outsourcing situation, the risk assessment is completed by the Sponsoring Employer. Usually the actuarial advice is provided to NILGOSC by the Scheme Actuary and the cost for this is recharged to the Admission Body or, where appropriate, the Sponsoring Employer.

2.8.2 The risk must be kept under review throughout the period of the admission and assessed at regular intervals and otherwise as required by NILGOSC.

2.9 **NILGOSC’s Decision**

2.9.1 NILGOSC must decide whether it considers it desirable, taking into consideration the results of the risk assessment, to require the Admission Body to put in place either a bond or indemnity or a guarantee to cover the level of risk identified.

2.10 **Requirements for a Guarantee, Indemnity or Bond**

2.10.1 The Regulations set out following requirements that must be met in relation to the provision of a bond or indemnity. It must be in an approved form and with a firm or person meeting one of the prescribed descriptions.

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4 Schedule 2, Part 2, Paragraph 3
5 See Schedule 2, Part 2, Paragraph 2
2.10.2 The Regulations\(^6\) also set out who may provide a guarantee:
- a person who funds the admission body in whole or in part
- in an outsourcing situation, the Sponsoring Employer
- a person who owns or controls the exercise of the functions of the admission body
- where the admission body is established under an enactment, by a Department enabled by that enactment to make financial provision for the admission body

2.10.3 NILGOSC will require a guarantor which it considers to be strong, secure and financially durable (generally only a local authority or government department) or a bond/indemnity which it considers to have equivalent strength.

2.10.4 In an outsourcing situation, the Sponsoring Employer may decide, based on the risk assessment, whether it requires the Admission Body to provide a bond, indemnity or guarantee. NILGOSC reserves the right notwithstanding any such arrangements, to require any further or other guarantee, bond or indemnity it considers necessary as a condition of approval of the admission to the Scheme.

2.10.5 In all cases, the bond, indemnity or guarantee must be re-evaluated and renewed on a regular basis and otherwise as required by NILGOSC.

2.10.6 Where a guarantee is required, this will usually be in a standard format tailored to the specific circumstances. Usually any required legal work will be undertaken in-house by NILGOSC. Where necessary, NILGOSC may need to take external legal advice. The cost of any such advice would be recharged to the prospective new Admission Body.

2.11 Actuarial and Legal Advice

2.11.1 NILGOSC may decide to obtain advice from the Scheme Actuary or from external or internal legal advisers. It will take all such advice into account in deciding whether approving the application for admission may have a detrimental impact on any employers or other stakeholders in the Scheme. All costs for legal or actuarial advice will be recharged to the prospective Admission Body.

2.12 Individual Circumstances Relevant to Application

2.12.1 NILGOSC will consider each application on its own merits. It will consider all the individual circumstances relevant to an application. In some cases, it may require the prospective Admission Body to provide additional information. NILGOSC may also decide that it is necessary to take actuarial or legal advice, as set out above. In light of the individual circumstances, NILGOSC may decide to impose specific conditions upon its approval or it may decide to reject the application.

3. Employer Contribution Rate

3.1 Initial Rate

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\(^6\) See Schedule 2, Part 2, Paragraph 3
3.1.1 When a new employer is admitted as an Admission Body in the Scheme, the Scheme Actuary determines an initial employer contribution rate.

3.1.2 The new Admission Body may be admitted to the Main Group of employers in the Scheme who pay a common employer’s contribution rate. This overall contribution rate is made up of two elements – a percentage of the pensionable pay of active members (which is related to the future service costs) and a capital sum (which is related to deficit recovery). Alternatively, it may be appropriate for an individual rate to be calculated for the new Admission Body.

3.1.3 The employer contribution rate will be set in accordance with the Funding Strategy Statement, taking into consideration elements such as:

- Any past service or inherited liabilities
- Whether the admission agreement is open or closed or otherwise restricted in membership
- Whether the admission agreement is fixed term or not, and the period of any fixed term contract period
- The financial position of the employer
- The strength of any guarantee and/or any bond or indemnity to be put in place
- Other relevant circumstances

3.1.4 NILGOSC will normally recharge any actuarial fees for the calculation of an initial employer contribution rate to the new Admission Body. In an outsourcing situation it may be agreed that these costs are paid for by the Sponsoring Employer.

3.2 Varying the Employer Contribution Rate

3.2.1 The Regulations require a triennial valuation of the Scheme. As part of each triennial valuation the contribution rates paid by each employing authority in the Scheme are reviewed and may be increased or reduced. Therefore the rate set for an Admission Body may be varied at the triennial valuation.

3.2.2 The employer contribution rate and any deficit recovery contributions set for the new Admission Body may also be reviewed between the triennial valuations where there is a material change of circumstances, such as the basis of the admission changing from open to closed/restricted or where it otherwise appears likely that the Admission Body may exit from the Scheme.

3.3 Ongoing Monitoring of Admission Bodies

3.3.1 Monitoring of an Admission Body is carried out throughout the term of any admission agreement and, where considered necessary, appropriate remedial action taken to safeguard all employers within the Scheme. The remedial action may include the variation of the employer contribution rate or the requirement for a new or revised guarantee, bond or indemnity, as discussed in the sections above, a requirement for security, or any other action which NILGOSC considers necessary taking into account the advice of the Scheme Actuary or its legal advisers.

3.3.2 NILGOSC will decide upon how monitoring will be undertaken and methods may include:

- Regular reviews of the employer funding level
- Regular reviews of the employer’s covenant with the Fund
• Regular reviews of the potential risk on early termination, including redundancy costs
• Assessment against actuarial assumptions in areas such as pay growth
• Requiring the admission body to notify NILGOSC of relevant changes in their circumstances
• Checks to see whether an employer has failed to notify NILGOSC of relevant changes (e.g. closure to new entrants)
• Regular assessment of the value of any security put in place by the employer
• Other appropriate methods

4. Additional Information for Outsourcing Situations

4.1 Shortfall Payments - Fully Funded Opening Position

4.1.1 NILGOSC will usually require admissions in an outsourcing situation to commence with a fully funded opening position.

4.1.2 In an outsourcing, it is usual that the employees of the Sponsoring Employer who are employed in relation to the outsourced services will transfer to the employment of the Admission Body. TUPE may apply to this transfer. Many of the transferring employees are likely to be active members of the Scheme. The liabilities in respect of the active records of these transferring active members will also transfer to the new Admission Body.

4.1.3 The Scheme Actuary considers the transferring liabilities and calculates any deficit in funding.

4.1.4 In order to ensure a fully funded opening position, the Sponsoring Employer is required to pay to NILGOSC a sum equal to the deficit calculated on an appropriate basis by the Scheme Actuary - a Shortfall Payment. The Shortfall Payment is payable prior to the admission of the new Admission Body to the Scheme, unless otherwise agreed by NILGOSC.

4.2 Risk Sharing Arrangements

4.2.1 In an outsourcing situation, the prospective Admission Body and the Sponsoring Employer may decide to enter into the risk sharing arrangements. These can take many forms, for example:
• Fixed employer contribution rates
• Ceilings and floors to the employer contribution rate
• The Sponsoring Employer paying all or a proportion of any deficit on termination

4.2.2 NILGOSC will not be a party to any risk sharing agreement between an Admission Body and a Sponsoring Employer.

4.2.3 If any risk sharing arrangements are put in place, they will be entirely separate from the Admission Agreement. The responsibilities of the Admission Body and of the Sponsoring Employer under the Admission Agreement are not affected by any such risk sharing arrangements. Each party must fulfil its obligations under the Admission Agreement in full. For example, the Admission Body will be required to
pay the certified employer contribution rate to the scheme and any other contributions required, as set out in the Admission Agreement.

4.3  **Additional Contracts**

4.3.1 If the Sponsoring Employer enters into a second (or subsequent) outsourcing contract with the same body which is already an Admission Body in the Scheme in respect of the earlier contract(s), the Regulations nonetheless require that there is a separate admission agreement in respect of each Contract. This requires the Admission Body to make a fresh application for admission for each Contract.

5.  **Exiting the Scheme**

5.1  **Circumstances in which an Exit may occur**

5.1.1 An Employing Authority will exit the Scheme when it ceases to employ any active members in the Scheme (or otherwise ceases to be an employing authority) or, if it is an Admission Body, when the Admission Agreement is terminated. The Employing Authority then becomes an Exiting Employer\(^7\).

5.1.2 An Admission Agreement may be terminated for a number of reasons, including, for example:
- in accordance with the terms of the admission agreement
- upon the termination of a contract in an outsourcing situation
- upon insolvency or winding up of the Admission Body

5.1.3 \(^8\) If NILGOSC considers it necessary to protect the solvency of the fund or to prevent liabilities in relation to one contributing body falling onto other contributing bodies, NILGOSC may with the approval of the Department for Communities require that active members who are employees of an employing authority cease future accrual from a specified date. This results in the Admission Body having no active members in the Scheme and it becomes an Exiting Employer.

5.1.4 The Regulations also allow NILGOSC to determine a nominated calculation date where NILGOSC reasonably believes that the Admission Body will cease to employ active members in the near future but the actual date is not known and the nominated date is then used instead of the actual date\(^9\). However, as soon as practicable after the actual exit date, NILGOSC will assess whether or not it should obtain a further revision of the rates and adjustments certificate\(^10\). If it does so, it may subsequently ask the Scheme Actuary to revise or withdraw and re-issue the rates and adjustments certificate.

5.1.5 As set out in relation to risk assessments in the Admission Policy above, one of the greatest risks to the Fund and the participating employing authorities in the Scheme is the possibility that an Admission Body may exit the Scheme where there is a deficit in funding of its liabilities that it cannot pay and which will not be met by any bond, indemnity or guarantor.

\(^7\) Regulation 70(1) of the LGPS Regulations (NI) 2014
\(^8\) Regulation 70(13D), ibid.
\(^9\) Regulation 70(13A), ibid.
\(^10\) Regulation 70 (13B), ibid.
5.2 **Exit Valuation and Exit Payment**

5.2.1 The Regulations require that when an employing authority becomes an Exiting Employer, there must be an Exit Valuation. This is carried out by the Scheme Actuary on an appropriate basis and takes account of the liabilities in respect of benefits of the exiting employer’s current and former employees and any inherited liabilities.

5.2.2 The liabilities which exist on exit depend on the circumstances at that time. The Exit Valuation will take account of any activity as a consequence of exit from the Fund regarding any existing contributing members (for example any transfer to another employer in the Fund or bulk transfer payments due) and the status of any liabilities that will remain in the Fund.

5.2.3 The Exit Valuation will normally be carried out using a low risk funding target (i.e. the discount rate will anticipate investment in low risk investments such as UK Government bonds), unless another employing authority exists in the Fund that agrees to take on future responsibility of (i.e. subsume) the liabilities of the Exiting Employer. This is to protect the other employers in the Fund as the liabilities of the Exiting Employer will become ‘orphan’ liabilities in the Fund (i.e. no particular employer would have future responsibility for funding these liabilities in the Fund).

5.2.4 If another employing authority in the Fund agrees to take on future responsibility for some or all of the liabilities of the Exiting Employer, then these liabilities will generally be valued on the ongoing funding target appropriate for the subsuming employer.

5.2.5 Under the Regulations it is possible that all of the liabilities and assets (and any corresponding surplus or shortfall) of the Exiting Employer may be transferred to an Inheriting Body by means of an apportionment agreement. This is explained further below.

5.2.6 The Scheme Actuary then issues an Exit Certificate showing any Exit Payment due from the exiting employer (or any surplus due to the Exiting Employer) on a basis consistent with the exit valuation and where relevant, a revised rates and adjustments certificate to reflect the Exit Certificate.

5.2.7 The Exit Payment is due immediately and must be paid within one month of the Exit Certificate or such longer period as may be agreed by NILGOSC\(^{11}\).

5.2.8 In certain circumstances NILGOSC may, with the approval of with the Department for Communities, defer obtaining the Exit Valuation and Exit Certificate and determine the date at which these will be obtained and the date from which they shall be effective\(^{12}\).

5.2.9 NILGOSC will only seek approval for a deferral where this is not expected to have a detrimental effect on any other employers or stakeholders of the Scheme.

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\(^{11}\) See Regulation 70(3) of the Local Government Pension Scheme Regulations (NI) 2014

\(^{12}\) See Regulation 70(12), ibid.
5.2.10 In considering whether to seek approval for a deferral and the length of any proposed deferral, NILGOSC will take into account all relevant circumstances and information which may (without limitation) include the following matters:

- the financial position of the employer on deferral
- any security that may be provided by the Exiting Employer or on its behalf
- the employer’s funding position at the date of deferral
- the future working lifetime of the active members immediately before the date of exit.
- the Funding Strategy Statement and funding target applicable to the employer during the deferral period
- Any actuarial or legal advice
- Any individual circumstances relevant to the request for deferral

5.2.11 Where NILGOSC with the approval of the Department defers obtaining the Exit Valuation and the Exit Certificate

- The Exiting Employer shall continue to pay contributions during the deferral period, on a basis determined by the Scheme Actuary taking account of the amount of the liabilities and the period of deferral; and

an Exit Valuation is carried out and an Exit Certificate issued (as described above) on the date determined and an Exit Payment may still be required (or a surplus may be payable to the Exiting Employer), which shall be paid as described at 5.2.7 above.

5.3 Apportionment Agreements

5.3.1 An Exit Valuation and Exit Payment will generally not be required where all the liabilities of the Exiting Employer are transferred to an Inheriting Body. This may be another employing authority in the Scheme or another body.

5.3.2 Such a transfer may be achieved by the Inheriting Body and NILGOSC entering into an apportionment agreement in accordance with the Regulations. It is the responsibility of NILGOSC to decide whether or not to enter into such an agreement, taking into account any actuarial and legal advice it may have obtained. The costs for any such advice will be recharged to the Exiting Employer or, if so agreed, to the Inheriting Body.

Review Date

This Policy shall be reviewed in 3 years or sooner if the Regulations or other legislation affecting the Admissions and Exits of Employing Authorities are amended in the interim.

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13 See Regulation 70(13), ibid.
14 See Regulation 71, ibid.
GLOSSARY

Some Terms Used In This Document

**Admission Agreement**
This is a formal legal agreement, in the form of a deed, entered into by an Admission Body and NILGOSC, which sets out the rights and responsibilities of both parties.

**Admission Body**
An employer which NILGOSC admits to the Scheme after completing an admission agreement. The Regulations set out the types of body that may be an admission body.

**The Committee**
The Management Committee of NILGOSC.

**Employing Authority**
each employer participating in the Scheme is an Employing Authority. Some participate by operation of legislation, such as the councils. Others are Admission Bodies, who have an Admission Agreement with NILGOSC.

**The Fund**
The superannuation fund established under the Local Government (Superannuation) Regulations 1950.

**NILGOSC**
The Northern Ireland Local Government Officers’ Superannuation Committee, which is the administering authority for the Scheme, established by the Local Government (Superannuation) Act 1950.

**Outsourcing**
An existing Employing Authority in the Scheme may decide to outsource part of its functions, by entering into a contract or other arrangement with another body to provide defined services on its behalf. Such a body may apply for admission to the Scheme and this type of application for admission is referred to in this document as an outsourcing situation.

**Regulations**
The Local Government Pension Scheme Regulations (NI) 2014, as amended, and all other regulations governing the Scheme.

**The Scheme**
The Local Government Pension Scheme Northern Ireland

**Scheme Actuary**
A firm of actuaries appointed by NILGOSC to carry out the role of Actuary to the Scheme in accordance with the Regulations

**Sponsoring Employer**
In this document, Sponsoring Employer means an existing Employing Authority which outsources services to another body, where that body applies to become an Admission Body in the Scheme.