

ANNEX 3**Pensions Rider****PENSIONS TERMS****Definitions**

In clauses 1 to 13 unless the context otherwise requires (or in particular, in relation to clauses 10 to 13 those expressions are otherwise defined), the following expressions have the following meanings

PENSIONS TERMS ON ENTRY

1. **Membership of a Broadly Comparable Scheme**
 - 1.1 The Contractor shall (and shall procure that any Employing Sub-Contractor shall) notify the details of the Contractor's Scheme or any Employing Sub-Contractor's Scheme as applicable to the Authority no later than the Relevant Transfer Date.
2. **Authority Pension Employees**
 - 2.1 The Contractor shall procure that, by no later than the Relevant Transfer Date the Contractor's Scheme:
 - 2.1.1 is registered with HMRC for the purposes of the Finance Act 2004;
 - 2.1.2 has in place a relevant contracting out certificate in accordance with Part III of the Pension Schemes Act 1993;
 - 2.1.3 is certified in writing by GAD as providing for and in respect of Authority Pension Employees, benefits for their service from the [Relevant Transfer Date] which are broadly comparable to the benefits which would have been provided for and in respect of them for that service under the terms of the PCSPS as at the day before the Relevant Transfer Date, had they remained active members in Reckonable Service under the PCSPS;
 - 2.1.4 allows Authority Pension Employees who formerly were contributing members of the PCSPS AVC Scheme, to make additional voluntary contributions on a basis which, in GAD's reasonable opinion, is broadly comparable to that pertaining under the PCSPS AVC Scheme as at the day before the Relevant Transfer Date, but for this purpose ignoring any provision of the PCSPS AVC Scheme entitling members thereof to acquire added years of Reckonable Service;
 - 2.1.5 contains a provision enabling it to accept transfer payments from the PCSPS and the PCSPS AVC Scheme;
 - 2.1.6 for the purpose of determining whether an Authority Pension Employee is entitled to benefits (including any enhancement of service on ill-health retirement or death benefits) under the Contractor's Scheme, takes periods of employment with the Authority and its successor into account as a single unbroken period; and

- 2.1.7 satisfies such other requirements, either in addition to or in substitution for all or any of the foregoing requirements in this clause, as GAD may at any time prior to the Relevant Transfer Date impose in respect of Authority Employees.

For the avoidance of doubt, nothing in this clause 1.2 shall prevent lower or different benefits from being provided by the Contractor or an Employing Sub-Contractor to an Authority Employee in respect of any period during which the Authority Employee is not employed in connection with the Services.

2.2 The Contractor shall further procure that:

- 2.2.1 no amendment shall be made to the Contractor's Scheme or to any Employing Sub-Contractor's Scheme without the prior written consent of the Authority Pension Employee concerned which could reduce the value of the benefits of any Authority Pension Employee accrued to the date upon which the power to amend is exercised, such value to be calculated as a past service reserve on the basis of such reasonable terms and assumptions (including, for the avoidance of doubt, a reasonable assumption as to their future increases in pensionable earnings) as are determined by the trustees of the Contractor's Scheme or Employing Sub-Contractor's Scheme, acting on the advice of the Contractor's Scheme Actuary or Sub-Contractor's Scheme Actuary as applicable; and
- 2.2.2 in the event that GAD has certified the Contractor's Scheme on an interim basis, the Contractor shall secure renewal of the GAD certification and that there is a valid interim certificate issued by GAD for the Contractor's Scheme in place no later than one month prior to Relevant Transfer Date; and
- 2.2.3 such documents, information and other evidence as the Authority may reasonably require from time to time and at any time to enable it to be satisfied that the Contractor, any Employing Sub-Contractor and their respective schemes comply and continue to comply with the requirements of this clause 2 relating to Authority Pension Employees are submitted to the Authority as soon as is practicable.

3. **Ex-Authority Employees**

- 3.1 The Contractor shall procure that, by no later than the Ex-Authority Relevant Transfer Date the Contractor's Scheme:
- 3.1.1 is registered with HMRC for the purposes of the Finance Act 2004; and
- 3.1.2 has in place a relevant contracting out certificate in accordance with Part III of the Pension Scheme Act 1993; and
- 3.1.3 is certified in writing by GAD as providing for and in respect of Ex-Authority Employees, benefits for their service from the Ex-Authority Relevant Transfer Date which are broadly comparable to the benefits which would have been provided for and in respect of such Ex-Authority Employees had they been in Pensionable Service under the PCSPS as at the date immediately preceding the Ex-Authority Original Transfer Date; and

- 3.1.4 is certified in writing by the Contractor's Scheme Actuary as containing provisions allowing Ex-Authority Employees who formerly were contributing members of the arrangement under the AVC facility of the Previous Contractor's Scheme, to make additional voluntary contributions on a basis which, in his reasonable opinion, is broadly comparable to that pertaining under the Previous Contractor's Scheme as at the day before the Ex-Authority Original Transfer Date, but for this purpose ignoring any provision of the Previous Contractor's Scheme entitling members thereof to acquire added years of Pensionable Service; and
- 3.1.5 contains a provision enabling it to accept transfer payments from the Previous Contractor's Scheme; and
- 3.1.6 for the purpose of determining whether an Ex-Authority Employee is entitled to benefits (including any enhancement of service on ill-health retirement or death benefits) under the Contractor's Scheme takes periods of employment with the Authority and the Previous Contractor into account as a single unbroken period; and
- 3.1.7 satisfies such other requirements, either in addition to or in substitution for all or any of the foregoing requirements in this clause, as GAD may at any time prior to the Ex-Authority Relevant Transfer Date impose in respect of Ex-Authority Employees.

For the avoidance of doubt, nothing in this clause 3 shall prevent lower or different benefits from being provided by the Contractor or Employing Sub-Contractor to an Ex-Authority Employee in respect of any period during which such an employee is not employed in connection with the Services.

3.2 The Contractor shall further procure that:

- 3.2.1 No amendment shall be made to the Contractor's Scheme without the prior written consent of the Ex-Authority Employees concerned which could reduce the value of the benefits of any Ex-Authority Employee accrued to the date upon which the power to amend is exercised (such value to be calculated as a past service reserve on the basis of such reasonable terms and assumptions as to their future increases in pensionable earnings) as are determined by the trustees of the Contractor's Scheme, acting on the advice of the Contractor's Scheme Actuary; and
- 3.2.2 Such documents, information and other evidence as the Authority may reasonably require from time to time and at any time to enable it to be satisfied that the Contractor, any Employing Sub-Contractor and their respective schemes comply and continue to comply with the requirements of this clause 3 relating to Ex-Authority Employees are submitted to the Authority.

4. **Membership of Contractor's or any Employing Sub-Contractor's Scheme**

4.1 The Contractor shall procure that:

- 4.1.1 all Authority Pension Employees and Ex-Authority Employees shall be admitted automatically to membership of the relevant Contractor's Scheme or any relevant Employing Sub-Contractor's Scheme on the Relevant Transfer Date or Ex-Authority Relevant Transfer Date (as appropriate)

(other than any Authority Pension Employee or any Ex-Authority Employee who opts out of membership of the Contractor's Scheme or relevant Employing Sub-Contractor's Scheme);

- 4.1.2 all Authority Pension Employees and Ex-Authority Employees who become members of the relevant Contractor's Scheme or relevant Employing Sub-Contractor's Scheme shall be eligible to remain members of it throughout the period of their employment with the Contractor or Employing Sub-Contractor in connection with the Services;
- 4.1.3 membership of the Contractor's Scheme or a relevant Employing Sub-Contractor's Scheme for Authority Pension Employees and Ex-Authority Employees shall not be conditional on such Authority Pension Employees' and Ex-Authority Employees agreeing to payment of any Transfer Value in respect of them; and
- 4.1.4 each Partnership Pension Account Employee, who had the option to join an alternative section of PCSPS and who by the day immediately prior to the Relevant Transfer Date has failed to exercise that option:
 - (a) shall be given the option, exercisable only once and within six months of the Relevant Transfer Date, to become a member of the Contractor's Scheme or the relevant Employing Sub-Contractor's Scheme on the same terms as to contributions and benefits from the date of joining as apply to Authority Pension Employees who were previously in Reckonable Service under that PCSPS Section; and
 - (b) shall be given the option, exercisable only once and within six months of the Relevant Transfer Date, to opt out of membership of the Contractor's Scheme or the relevant Employing Sub-Contractor's Scheme and to join the Designated Schemes on the same terms as to contributions from the Contractor or the relevant Employing Sub-Contractor as applied to contributions from the Authority or, if more favourable, as apply to other Partnership Pension Account Employees at the date of joining the Designated Schemes; and on exercising the option specified in this clause shall be included automatically as a member of the scheme or schemes specified in clause 7 (Partnership Pension Account Employees);
- 4.1.5 each Authority Pension Employee who had the option to join the Partnership Pension Account and who by the day immediately prior to the Relevant Transfer Date has failed to exercise that option:
 - (a) shall be given the option, exercisable only once and within six months of the Relevant Transfer Date, to opt out of membership of the Contractor's Scheme and to join a Designated Scheme on the same terms as to contributions from the Contractor as applied to contributions from the Authority or, if more favourable, as apply to other Partnership Pension Account Employees at the date of joining a Designated Scheme;
 - (b) on exercising the option specified in clause 4 of this Contract (Membership of Contractor's or any Employing Sub-Contractor's

Scheme) shall be included automatically as a member of the scheme or schemes specified in clause 7 of this Contract (Partnership Pension Account Employees);

- 4.1.6 each Authority Pension Employee who opted not to join the Contractor's Scheme or the relevant Employing Sub-Contractor's Scheme on the Relevant Transfer Date (as referred to in clause 4 shall be given the option, exercisable only once and within six months of the Relevant Transfer Date, to join the Contractor's Scheme with effect from the date he exercises the option on the same basis as to contributions and benefits as apply in respect of Authority Pension Employees who were in Reckonable Service under PCSPS at the Relevant Transfer Date;
- 4.1.7 any Ex-Authority Employee who was immediately before the Ex-Authority Relevant Transfer Date a member of a Previous Contractor's Designated Scheme who had the option to join the Previous Contractor's Scheme and has not exercised that option by the day immediately prior to the Relevant Transfer Date:
- (a) shall be given the option, exercisable only once and within six months, to become a member of the Contractor's Scheme with effect from the date of the exercise of that option on the same terms as to contributions and benefits from the date of joining as apply to Ex-Authority Employees who were in Pensionable Service under the Previous Contractor's Scheme; and
 - (b) shall be given the option, exercisable only once, and within six months to opt out of the Contractor's Scheme and join the Contractor's Designated Schemes on the same terms as to contributions from the Contractor as applied to contributions from the Previous Contractor; and
- 4.1.8 Any Ex-Authority Employee who was, immediately before the Ex-Authority Relevant Transfer Date a member of a Previous Contractor's Designated Scheme and who does not fall under clause 4.1.7 above shall be given access to membership of the Contractor's Designated Scheme on the same terms as to contributions from the Contractor as applied to contributions from the Previous Contractor.

5. Calculation of Total Transfer Amount

- 5.1 The Authority agrees that:
- 5.1.1 on or after the Relevant Transfer Date it will invite the Authority Pension Employees who join the Contractor's Scheme to request in writing payment of a Transfer Value in respect of them by the PCSPS to the Contractor's Scheme; and
 - 5.1.2 that Authority Pension Employees shall be given three months from the date on which the invitations are issued under clause 5.1.1, in which to return their written requests to the Authority.
- 5.2 Following the receipt of requests made by Authority Pension Employees pursuant to clause 5 of this Agreement¹ (Calculation of Transfer Value), the Authority shall

procure that the PCSPS instructs the PCSPS Actuary to determine the amount to be transferred in accordance with the Actuary's Letter and to notify the Contractor's Actuary of their findings for verification of that amount as the Transfer Value.

5.3 Following receipt of notification of the Transfer Value pursuant to Clause 5.2 the Contractor shall procure that the Contractor's Actuary shall determine the amount required to provide the requisite service credits in accordance with the Contractor's Bulk Transfer Terms and notify GAD of their findings for verification of that amount as the Required Transfer Value.

5.4 Following the verifications referred to in Clause 5.2 and Clause 5.3 the Authority and the Contractor shall procure that GAD, the PCSPS Actuary and the Contractor's Actuary respectively verify the values of the Shortfall and the Total Transfer Amount.

5.5 The Authority and the Contractor respectively shall procure that:

5.5.1 all such information within their respective possession or under their respective control as the PCSPS Actuary and/or the Contractor's Actuary may reasonably request for the purposes of calculating or verifying the Transfer Value or for any other purpose of this clause shall be made available to them within:

(a) for the purposes of the PCSPS Actuary, three months of the end of the period referred to in clause 5.1.2, and

(b) otherwise, three months of the date upon which the PCSPS Actuary notifies the Contractor's Actuary pursuant to Clause 5.2; and

5.5.2 with the exception of the request forms referred to in clause 5.1 of this Agreement (Calculation of Transfer Value), no notice or communication pertaining to a transfer payment from the PCSPS will be issued or given to the Authority Employees by the Authority or by the Contractor without the written approval of the other Party² (such approval not to be unreasonably withheld or delayed).

6. **Payment of Total Transfer Amount**

6.1 The Authority shall procure that on the Transfer Value Date the PCSPS shall pay to the Contractor's Scheme an amount in cash equal to the Transfer Amount.

6.2 The Authority shall on the Transfer Value Date pay to the Contractor an amount in cash equal to the Shortfall Amount.

6.3 The Contractor shall, on or as soon as practicable after the Transfer Value Date pay to the trustees of the Contractor's Scheme an amount equal to the Shortfall Amount to secure additional service credits for or in respect of the Consenting Employees under such Scheme or Schemes.

6.4 The Contractor shall procure that the trustees of the Contractor's Scheme promptly accept the Total Transfer Amount.

6.5 The Contractor shall procure that, subject to receipt of the Total Transfer Amount by the Contractor's Scheme:

6.5.1 each of the Consenting Employees is awarded a credit of day for day equivalent pensionable service in the Contractor's Scheme or such actuarially equivalent service credits as the PCSPS Actuary has determined in the Actuary's Letter; and

6.5.2 for the purpose of calculating benefits for and in respect of the Consenting Employees under the Contractor's Scheme, the pensionable service so credited and the pensionable service which each of the Consenting Employees accrues in the Contractor's Scheme from the Relevant Transfer Date are treated in the Contractor's Scheme as a single unbroken period.

6.6 The Authority shall procure that on or before the Transfer Value Date the PCSPS AVC Scheme shall pay or transfer to the Contractor's Scheme an amount in cash equal to the AVC Transfer Value.

6.7 The Contractor shall procure that:

6.7.1 the Contractor's Scheme promptly accepts the AVC Transfer Value; and

6.7.2 subject to receipt of the AVC Transfer Value by the Contractor's Scheme, each Consenting Employee is awarded Money Purchase Benefits (additional to the benefits to be provided in respect of the Transfer Value) of such amount as is equal in value to the amount of the AVC Transfer Value attributable to the Consenting Employee in question.

7. Partnership Pension Account Employees

7.1 The Contractor undertakes :

7.1.1 to establish or participate in and to notify to the Authority no later than the Relevant Transfer Date a retirement benefits scheme which provides for and in respect of Partnership Pension Account Employees for so long as they are employed in connection with the Services:

(a) benefits which (as evidenced by current GAD certificate) are broadly comparable to the benefits to which they would have been entitled under the Partnership Pension Account Ill-Health Benefits Scheme, had they continued in "eligible service" under the Partnership Pension Account Ill-Health Benefits Scheme (within the meaning of rule A2 of its Rules) after the Relevant Transfer Date, for this purpose treating their respective periods of eligible service and employment with the Contractor as a single unbroken period; and

(b) benefits which (as evidenced by a current GAD certificate) are broadly comparable to the benefits to which they would have been entitled under the Partnership Pension Account Death Benefits Scheme, had they continued in "eligible employment" under the Partnership Pension Account Death Benefits Scheme (within the meaning of rule A1(1) of its Rules) after the Relevant Transfer Date, for this purpose treating their respective periods of eligible

service and employment with the Contractor as a single unbroken period.

- 7.1.2 to procure that all Partnership Pension Account Employees shall be admitted automatically to membership of that scheme on the Relevant Transfer Date (other than any Partnership Pension Account Employee who opts out of membership of the scheme in writing on or before that day in a form to be agreed between the Authority and the Contractor in the absence of such agreement in a form directed by the Authority).
- 7.2 The Contractor shall and shall procure that any Sub-Contractor shall:
 - 7.2.1 comply with all applicable requirements of Part I of the Welfare Reform and Pensions Act 1999 and in particular shall designate one or more stakeholder pension schemes for the purposes of section 3 of that Act; and
 - 7.2.2 if applicable, notify any Designated Schemes to the Authority promptly following their designation (including any Stakeholder Pension Schemes designated from time to time by the Contractor or Sub-Contractor either in substitution for or in addition to any other Designated Scheme); and
 - 7.2.3 with effect from the Relevant Transfer Date and for so long as the Partnership Pension Account Employee is employed in connection with the Services, contribute to such of those Designated Schemes in respect of Partnership Pension Account Employees as each of them may join, at the same annual rates and on the same terms as were in force for employer contributions from the Authority to the Partnership Pension Account on the day prior to the Relevant Transfer Date; and
 - 7.2.4 obtain and submit to the Authority the written certificate of GAD (including all replacement certificates) that the Designated Schemes and the rate of and terms relating to the contributions paid to them by the Contractor are broadly comparable to the Partnership Pension Account.

8. **Future Sub-contracting**

- 8.1 Where as the result of the transfer of an undertaking which is the whole or part of the Services the employment of any Authority Pension Employee or Ex-Authority Employee is transferred to a Future Sub-Contractor, the Contractor shall notify the Authority as soon as is reasonably practicable and clauses 1- 6.7.2 above shall apply to the transfer of the relevant Authority Pension Employees from the Contractor to the Future Sub-Contractor as they apply to the transfer of such employees from the Authority to the Contractor making appropriate substitutions and adjustments in applying those clauses including (but not limited to) the following:
 - 8.1.1 the Authority means the Contractor;
 - 8.1.2 the Contractor means the Future Sub-Contractor;
 - 8.1.3 the Relevant Transfer Date and the Ex-Authority Relevant Transfer Date mean the date of the transfer of the undertaking from the Contractor to the Future Sub-Contractor;

- 8.1.4 the Contractor's Scheme means one or more retirement benefit schemes established by the Future Sub-Contractor (see the definitions of Contractor's Scheme);
- 8.1.5 the Contractor's Scheme Actuary means an actuary appointed as scheme actuary by the trustees of the Future Sub-Contractor's Scheme;
- 8.1.6 the Designated Stakeholder Schemes are designated by the Future Sub-Contractor rather than the Contractor;
- 8.1.7 Authority Pension Employee(s) and Ex-Authority Employees means those of the Authority Pension Employees and Ex-Authority Employees under clauses 2 and 3 who are comprised in the transfer; and
- 8.1.8 The PCSPS and the Previous Contractor's Scheme means the Contractor's Scheme and the PCSPS Actuary means the Contractor's Actuary.
- 8.2 Where pursuant to a transfer of an undertaking under clause 8 one or more Authority Pension Employees or Ex-Authority Employees leave the employment of the Contractor and become employed by a Future Sub-Contractor the transfer value payable in respect of him or them shall be calculated on a past service reserve basis using such reasonable terms and assumptions (including, for the avoidance of doubt, a reasonable assumption as to their future increases in pensionable earnings) as:
- 8.2.1 are broadly no less favourable than those which were applied in the case of the Authority Employees, when calculating the Total Transfer Amount (being the sum of the Transfer Value calculated in accordance with the Actuary's Letter and the Shortfall calculated by reference to the Contractor's Bulk Transfer Terms both subject to consistent and equivalent reasonable adjustments in respect of market movements since the respective dates of the Actuary's Letter and the Contractor's Bulk Transfer Terms); or
- 8.2.2 in the case of the Ex-Authority Employees the Contractor's Actuary deems to be appropriate.
- 8.3 Clause 8.1 shall apply with appropriate substitutions and adjustments to one or more further transfers of Authority Pension Employees from the employment of an Employing Sub-Contractor to another sub-contractor and from the employment of a sub-contractor by one or more successive transfers to other sub-contractors or back to the Contractor or the Authority.
- 8.4 Clause 8.2 shall likewise apply if the employment of one or more Authority Pension Employees or Ex-Authority Employee is transferred directly to an Employing Sub-Contractor by the Authority at the beginning of this Contract rather than by a transfer to the Contractor and then to the Employing Sub-Contractor.
- 8.5 In the event that any or all of the Authority Pension Employees do not elect to transfer their benefits pursuant to Clause 8.3 or Clause 8.4 such Authority Pension Employees shall be offered preserved benefits in the Contractor's Scheme of a value equivalent to that which would be secured by the transfer value calculated for them in accordance with the principles set out in clauses 10 to 13.

8.6 Where the Contractor has failed to procure that the trustees of the Contractor's Scheme (or failed to procure that the trustees of any relevant Employing Sub-Contractors' schemes) offer bulk transfer terms in accordance with clause 8.2, the Contractor shall so advise the Authority and the Authority may issue such reasonable requests to such party, if any, as it thinks fit. The Contractor shall comply with and shall use its reasonable endeavours to procure that all Employing Sub-Contractors shall comply with, all such reasonable requests.

9. Authority to be indemnified

9.1 The Authority may from time to time and at any time require the Contractor to obtain and to produce to the Authority such information and evidence concerning the Contractor, and any Employing Sub-Contractor and their respective pension schemes as the Authority may reasonably require in order to be satisfied that the provisions of clauses 1 to 8 have been and continue to be satisfied and the Contractor shall promptly use all reasonable endeavours to obtain the same following the receipt of such a request.

9.2 The Contractor shall indemnify the Authority on demand and shall keep it indemnified in full from and against all direct or indirect liability, loss, damages, injury, claims, costs and expenses incurred by the Authority, including the costs and expenses (whether legal, actuarial or other) incurred by the Authority in preparing for, defending and implementing any court, Employment Tribunal or Pensions Ombudsman proceedings, order, judgment, award, determination or direction, awarded against or incurred or paid by the Authority to and/or in favour of any Authority Pension Employee, Ex-Authority Employee Partnership Pension Account Employee or any other person:

9.2.1 as a result of the failure of the Contractor to comply with the provisions of clauses 1 to 9 and/or of the failure of any Employing Sub-Contractor to comply with the terms of its contract with the Contractor; and

9.2.2 arising out of or attributable to or in any way connected with the provision or transmission by the Authority (whether to employees or any other party) of information supplied to it by the Contractor or an Employing Sub-Contractor in connection with a re-tendering or proposed re-tendering of all or any of the Services.

The indemnity in clause 9.2 of this Contract shall not apply if the direct or indirect liability, loss, damage, injury, claim, costs or expenses are wholly attributable to an act or omission of the Authority.

PENSIONS TERMS ON EXIT

For the purposes of Clauses 10 to 13 unless the context otherwise requires, the following expressions have (superseding schedule 1) the following meanings:

"AVC Transfer Value"	means the amount available as a transfer value under the Contractor's Scheme in respect of the invested contributions made by Consenting Employees to any additional voluntary contribution arrangement under the Contractor's Scheme towards securing Money Purchase Benefits thereunder;
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"Consenting Employees"	means those of the Authority Pension Employees or Ex-Authority Employees who join the Contractor's Scheme on the Relevant Pension Transfer Date and who consent in writing to payment of the Transfer Value in respect of their benefits from the Contractor's Scheme within the period specified in clause 11.1.2 and who do not withdraw that request before expiry of the period specified in clause 11.1.2. For the avoidance of doubt an Authority Pension Employee shall cease to be a Consenting Employee if he dies or withdraws his consent before the expiry of the period specified in clause 11.1.2;
"Money Purchase Benefits"	means money purchase benefits as defined in Section 181 of the Pension Schemes Act 1993;
"New Provider's Actuary"	means the Actuary appointed as the scheme actuary by the trustees of the New Provider's Scheme for the purposes of section 47 of the Pensions Act 1995;
"New Provider's Scheme"	means the one or more retirement benefits schemes established by the New Provider or in which it participates for the purposes of clauses 1 to 13. A reference to the New Provider's Scheme shall, where appropriate, include a reference to the trustees or administrators thereof;
"Opted-out Employee"	means an Authority Pension Employee or an Ex-Authority Employee who on the day before the Relevant Pension Transfer Date has opted-out of membership of the Contractor's Scheme and has retained the right under the rules of the Contractor's Scheme to opt back into membership;
"Partnership Pension Account Employees"	means Authority Employees who on the day before the Relevant Transfer Date are entitled to a contribution from the Authority to the Partnership Pension Account;
"Pension Transferring Employees"	means such of the Authority Pension Employees and the Ex-Authority Employees whose employment transfers from the Contractor or an Employing Sub-Contractor as applicable to the New Provider on the termination or expiry of this contract and who have past service benefits accrued under the Contractor's Scheme;
"Relevant Pension Transfer"	means a transfer from the Contractor of the Authority Pension Employees or the Ex-Authority Employees pursuant to this Agreement and the Transfer Regulations and each such transfer shall

	be a Relevant Pension Transfer if more than one;
"Relevant Pension Transfer Date"	means the date on which the Relevant Pension Transfer is effected;
"Subsequent Actuary's Letter"	means the letter from the Contractor's Actuary or the actuary appointed by a relevant Employing Sub-Contractor as appropriate to the New Provider's Actuary dated [] (copies of which are included at Annex C of Annex 2) which specify the actuarial methods and assumptions in accordance with clause 8.2 for calculating the Transfer Values.
"Transfer Value Date"	means the date falling 30 days after the date on which the Transfer Value is determined by the Contractor's Scheme Actuary and verified by the New Provider's Actuary;
"Transfer Value"	means the Transfer Value as calculated under clause 11.2.

10. **Expiry, termination or partial termination of the Services Agreement**

- 10.1 Where the Authority has served a notice to terminate all or any part of the Services or where the Services Agreement is due to expire through effluxion of time and the Authority has notified the Contractor of the identity of the New Provider clauses 11 to 13 below shall apply to the transfer of the relevant Pension Transferring Employees from the Contractor and one or more Employing Sub-Contractors to the New Provider (or to the Authority) and to the calculation and payment of one or more Transfer Values to the New Provider's Scheme or to one or more pension schemes selected by the Authority, as appropriate.
- 10.2 Where the Contractor has failed to procure that the trustees of the Contractor's Scheme (or failed to procure that the trustees of any relevant Employing Sub-Contractors' Schemes) offer bulk transfer terms in accordance with clauses 11 to 13 the Contractor shall so advise the Authority and the Authority may issue such reasonable requests to such party, if any, as it thinks fit. The Contractor shall comply with and shall use its reasonable endeavours to procure that all Employing Sub-Contractors shall comply with, all such reasonable requests.
- 10.3 Notwithstanding any provision of clauses 10 to 13 the Authority shall have no liability as a result of or arising out of the failure of any party to agree bulk transfer terms or to implement bulk transfer terms which have been agreed, nor shall it be liable for the costs or expenses incurred by any Party, including the Contractor and/or any Employing Sub-Contractor, in negotiating or endeavouring to negotiate bulk transfer terms or in carrying out or endeavouring to carry out any direction or request of the Authority issued under clauses 10 to 13.

11. **Calculation of Transfer Value**

- 11.1 The Contractor agrees that:

- 11.1.1 on or after the Relevant Pension Transfer Date it will invite the Pension Transferring Employees who join the New Provider's Scheme to request in writing payment of a Transfer Value in respect of them by the Contractor's Scheme to the New Provider's Scheme; and
- 11.1.2 that Pension Transferring Employees shall be given three months from the date on which the invitations are issued under clause 11.1.1, in which to return their written requests to the Contractor.
- 11.2 Following the receipt of requests made by Pension Transferring Employees pursuant to clause 11.1 of this Agreement (Calculation of Total Transfer Amount), the Contractor shall use its reasonable endeavours to procure that within one month of receiving such requests the Contractor's Scheme or the relevant Employing Sub-Contractor's Scheme instructs the Contractor's Scheme Actuary or any other such relevant Actuary to determine the Transfer Value:
- 11.2.1 in respect of Consenting Employees who are Authority Pension Employees in accordance with the actuarial methods and assumptions which are broadly no less favourable than those which were applied in the case of the Authority Pension Employees, when calculating the Total Transfer Amount (being the sum of the Transfer Value calculated in accordance with the Actuary's Letter and the Shortfall both subject to consistent and equivalent reasonable adjustments in respect of market movements since the respective dates of the Actuary's Letter and the Contractor's Bulk Transfer Terms); and
- 11.2.2 in respect of service since the Relevant Transfer Date for Consenting Employees who are Authority Pension Employees and in respect of all service for Consenting Employees who are not Authority Pension Employees on a past service reserve basis in accordance with reasonable methods and assumptions set by the Contractor's Scheme's Actuary,
- and to notify the New Provider's Actuary of their findings for verification;
- 11.3 The Contractor shall procure that:
- 11.3.1 all such information within its possession or under its control or the control of an Employing Sub-Contractor as the New Provider's Actuary may reasonably request for the purposes of verifying the Transfer Value or for any other purpose of this clause shall be made available to him within one month of the end of the period referred to in clause 11.1.2;
- 11.3.2 with the exception of the request forms referred to in clause 5 of this Agreement (Calculation of Total Transfer Amount), no notice or communication pertaining to a transfer payment from the Contractor's Scheme will be issued or given to the Pension Transferring Employees or by the Contractor without the written approval of the New Provider (such approval not to be unreasonably withheld or delayed).
- 11.4 The Contractor shall procure that any of the Authority Pension Employees, Ex-Authority Employees or Opted-out Employees who participate in one or more of the Designated Stakeholder Schemes shall be notified of such Authority Pension Employees', Ex-Authority Employees' or Opted-out Employees' right to transfer the accumulated value of his account under the relevant Designated Stakeholder Scheme to a registered pension arrangement operated by the New Provider.

12. Payment of Transfer Value

- 12.1 The Contractor shall use its reasonable endeavours to procure that on the Transfer Value Date the Contractor's Scheme or the Employing Sub-Contractor's Scheme (as appropriate) shall pay to the New Provider's Scheme an amount in cash equal to the Transfer Value.
- 12.2 The Contractor shall use its reasonable endeavours to procure that on or before the Transfer Value Date the Contractor's Scheme or the relevant Sub-Contractor's Scheme (as appropriate) shall pay or transfer to the New Provider's Scheme an amount in cash equal to the AVC Transfer Value.

13. Authority to be indemnified

- 13.1 The Authority may from time to time and at any time on reasonable notice require the Contractor to obtain and to produce to the Authority such information and evidence concerning the Contractor, and any Employing Sub-Contractor and their respective pension schemes as the Authority may reasonably require in order to be satisfied that the provisions of clauses 10 to 13 have been and continue to be satisfied and the Contractor shall promptly use all reasonable endeavours to obtain the same following the receipt of such a request.
- 13.2 The Contractor shall indemnify the Authority on demand and shall keep it indemnified in full from and against all direct or indirect liability, loss, damages, injury, claims, costs and expenses incurred by the Authority, including the costs and expenses (whether legal, actuarial or other) incurred by the Authority in preparing for, defending and implementing any court, Employment Tribunal or Pensions Ombudsman proceedings, order, judgment, award, determination or direction, awarded against or incurred or paid by the Authority to and/or in favour of any Authority Pension Employee, Partnership Pension Account Employee or any other person:
- 13.2.1 as a result of the failure of the Contractor to comply with the provisions of clauses 10 to 13 and/or of the failure of any Employing Sub-Contractor to comply with the terms of its contract with the Contractor; and
- 13.2.2 arising out of or attributable to or in any way connected with the provision or transmission by the Authority (whether to Employees or any other Party) of information supplied to it by the Contractor or an Employing Sub-Contractor in connection with a re-tendering or proposed re-tendering of all or any of the Services.
- 13.3 The indemnity in clause 13.2 of this Contract shall not apply if the direct or indirect liability, loss, damage, injury, claim, costs or expenses are wholly attributable to an act or omission of the Authority.