

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

16 June 2020

New Employer Policy

Purpose of the Report

1. The purpose of this report is to present a new Employer Policy to the Committee for consideration and approval.

Background

2. To date, the Fund's previous approach to new employer admissions has been outlined in a mixture of text on its website, in some historical committee papers, the Funding Strategy Statement and through precedent.
3. In the interests of greater transparency and consistency, and in response to the changing employer environment, officers propose formalising and clarifying its approach to a range of new employer matters into a single policy.
4. The draft version of this Policy was presented to the Local Pension Board on 21 May 2020. At that time, several questions were asked by the Board concerning guarantee arrangements, risk and how the policy compared to the approaches from other Funds. Following responses by officers, no recommendations for changes were made by the Board.

Considerations for the Committee

5. The policy itself splits employers into the three main categories of:
 - a). Scheduled Bodies;
 - b). Resolution/Designating bodies; and
 - c). Admission bodies.
6. It covers matters such the regulatory and eligibility position, additional Fund requirements on admission, the Fund's approach to guarantees, securities and covenants as well as funding approaches such as whether to set up employers as standalone or pooled and whether to use a 100% funding level or share of deficit approach.
7. There are no major changes in Fund approach outlined in this policy, instead this policy mainly represents a formalisation of existing practice.
8. This policy has been produced in consultation with the actuary, Hymans-Robertson LLP as the policy contains certain actions the actuary would be required to undertake.

Environmental Impact of the Proposal

9. There are no known environment implications from this report.

Financial Considerations & Risk Assessment

10. There are no material financial or risk considerations relating to the implementation of this policy.

Legal Implications

11. There is no legal requirement to produce a new employer policy, but the application of a policy aims to reduce the risk of legal disputes.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Reasons for Proposal

13. To provide greater transparency and consistency to new employer admissions.

Proposal

14. The Committee is to approve this Policy.

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Unpublished documents relied upon in the production of this report: NONE