

SCHEDULE 19A - CORE SERVICES - PENSION MATTERS

1.1 In this Schedule 19A, save where otherwise provided, words and terms defined in DEFCON 501, Schedule 1 (Definitions), Schedule 8A Part 1 or Schedule 8A Part 2 of the Contract shall have the meaning ascribed to them in Schedule 1 (Definitions), Schedule 8A Part 1 or Schedule 8A Part 2 of the Contract.

1.1 Without prejudice to Schedule 1 (Definitions) of the Contract, Schedule 8A Part 1, or Schedule 8A, Part 2, in this Schedule 8A Part 3 unless the context otherwise requires:

“Active Member” means an individual who has been admitted to and remains in active membership of any of the Schemes.

“Admission Agreement” means in relation to the Contractor or a Sub-contractor an agreement made (or to be made) between (1) The Minister for the Cabinet Office (2) the Contractor or the Sub-contractor, as the case may be, and (3) the Authority relating to the participation of the Contractor or the Sub-contractor, as applicable, in the Schemes for the benefit of those of the Former Authority Employees who are for the time being employed by the Contractor or the Sub-contractor, as applicable, and which is in the form set out in Annex A to this Schedule.

“Contractor Default” means the breach of any term of the Admission Agreement to which the Contractor or, as applicable, the sub-Contractor is a party and, if the breach is capable of remedy, the Contractor or, as applicable, the Sub-Contractor does not remedy the breach within 10 Business Days from being notified of the breach by the Schemes, The Minister for the Cabinet Office or the Authority.

“Former Authority Employee” means at any time any person whose employment with the Authority is transferred to the Contractor or a Sub-contractor pursuant to the Transfer Regulations and/or any person who is an ex-employee of the Authority and whose employment with a Previous Contractor is transferred to the Contractor or a Sub-contractor pursuant to the Transfer Regulations and who is for the time being employed by the Contractor or a Sub-contractor provided that since such person was employed by the Authority (a) he has not ceased to be eligible for membership of the Schemes; and (b) any change in his employer has been effected pursuant to the Transfer Regulations;

“New Fair Deal” means the revised Fair Deal policy set out in HM Treasury’s guidance “Fair Deal for staff pensions: staff transfers from central government” issued in October 2013.

“New Scheme” means the public service pension scheme for civil servants established under the Public Service Pensions Act 2013 and planned to be introduced with effect on and from 1 April 2015 (and includes, unless the context otherwise requires, any successor scheme).

“PCSPS” means the Principal Civil Service Pension Scheme established under The Superannuation Act 1972.

“Pension Schemes” means the New Scheme and/or the PCSPS whichever is or are relevant in the context (and includes, unless the context otherwise requires, the respective managers from time to time of such scheme or schemes).

“Previous Contractor” means Serco Ltd;

“Relevant Benefits” means any benefit payable on retirement, on death, on reaching a particular age, on the onset of serious ill-health or incapacity or in similar circumstances (including the provision of medical, dental or similar benefits).

“Relevant Transfer Date” means the date on which a transfer to the Contractor or a Sub-contractor is effected pursuant to this Contract and the Transfer Regulations.

“Schemes” means the PCSPS, the Partnership Pension Account and its (i) Ill-health Benefits Scheme and (ii) Death Benefits Scheme, the Civil Service Additional Voluntary Contribution Scheme, the New Scheme (with effect from the date of its commencement) each as amended or replaced from time to time, or such one of them as is or are relevant in context. Any reference to the Schemes includes, unless the context otherwise requires, a reference to the respective managers from time to time of the Schemes.

“Transfer Regulations” means the means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time and/or the Service Provision Change (Protection of Employment) Regulations (Northern Ireland) 2006 (as amended from time to time), as appropriate .

2. Pensions

2.1 The Contractor shall:

2.1.1 comply with the Admission Agreement to which it is a party and shall not terminate the Admission Agreement while the Contractor is providing any of the Services;

2.1.1.2 ensure that on each occasion (including, but without limitation, on the termination of a contract between the Contractor and a Sub-contractor) any Former Authority Employee becomes an employee of the Contractor pursuant to the Transfer Regulations (and the date upon which he becomes such an employee is called the “Employment Date”) the Former Authority Employee if not already an Active Member of the Pension Schemes becomes such an Active Member with effect as on and from the Employment Date provided that this is permitted under the terms of the Pension Schemes and the Admission Agreement as applicable; and

2.1.3 ensure that in relation to each Former Authority Employee who immediately prior to the Employment Date is an Active Member or who becomes an Active Member with effect from that date and for so long as the Former Authority Employee is employed by the Contractor and is assigned to or otherwise engaged at least to the minimum extent specified in the Admission Agreement in the provision of the Services or any of them:

2.1.3.1 it is an express term of the contract of employment of the Former Authority Employee with the Contractor that the Contractor shall ensure that (subject to the terms from time to time of the Schemes and the Admission Agreement) the Former Authority Employee may be and may continue to be an Active Member; and

2.1.3.2 each such Former Authority Employee is able to be and remain such an Active Member;

2.1.4 The Contractor agrees that the employer contribution rates which are payable to the Schemes in respect of the Former Authority Employees whether by the Contractor, Sub-contractor or Sub-sub-contractor shall be priced on a pass-through basis in accordance with Schedule 3 (Contract Price and Payment).

2.1.5 if it is in arrears in respect of any contributions due to the Schemes in respect of any Former Authority Employee, agree (which agreement the Contractor hereby irrevocably gives) that the Authority may deduct an amount equal to that which is overdue from any monies due to the Contractor and pay that amount to the relevant Scheme.

2.2 The Contractor shall ensure that no Sub-contractor by whom any of the Former Authority Employees become employed pursuant to the Transfer Regulations is appointed unless the contract under which the Sub-contractor is to provide any of the Services (the "Contract") contains terms which provide for the following:

2.2.1 a condition precedent (which may not be waived) to such contract becoming effective is that there is in force an Admission Agreement between (1) The Minister for the Cabinet Office (2) the Sub-contractor, and (3) the Authority;

2.2.2 the Sub-contractor must at all material times comply with the Admission Agreement and will not terminate the Admission Agreement while the Sub-contractor is providing any of the Services;

2.2.3 a breach of the Admission Agreement which is not capable of remedy or which if it is capable of remedy is not remedied within 10 Business Days of the Sub-contractor being given notice of such breach by the Schemes, the Minister for the Cabinet Office (in respect of the Admission Agreement) or the Authority is an event of default by the Sub-contractor enabling the other party to the Contract to terminate the Contract or the Contractor to terminate the Sub-contract (which the Contractor undertakes to the authority to do if directed to do so by the Authority) immediately on the giving of notice and no notice to waive the event of default or which states that termination is not immediate and reserves a future right to terminate may be given without the consent in writing of the Authority;

2.2.4 on each occasion (including, but without limitation, the termination of any contract pursuant to which the Sub-contractor sub-subcontracts the provisions of any of the Services) any Former Authority Employee becomes an employee of the Sub-contractor pursuant to the Transfer Regulations the Former Authority Employee shall if he is not already an Active Member of the Pension Schemes become such an Active Member with effect as on and from the date upon which he becomes such an employee provided that this is permitted under the terms of the Pension Schemes and the Admission Agreement;

2.2.5 on each such occasion the Sub-contractor must make it a term of the contract of employment of each Former Authority Employee employed by the Sub-contractor that the Sub-contractor must ensure that the Former Authority Employee may be an Active Member at all times he is assigned to or otherwise engaged at least to the minimum extent specified in the Admission Agreement in the provision of any of the Services (subject to the terms of the Schemes from time to time and the Admission Agreement);

2.2.6 any contract pursuant to which the Sub-contractor sub-contracts to another

person (the “Sub-sub-contractor”) and which results in any Former Authority Employer becoming an employee of the Sub-sub-contractor pursuant to the Transfer Regulations must contain the same terms as must be included in the Sub-contractor’s contract in accordance with this Clause 2.2 and such contract shall not take effect unless and until there is in force an Admission Agreement to which the Sub-sub-contractor is a party; and

- 2.2.7 the Sub-contractor must use its best endeavours to enforce the terms of his contract with the Sub-sub-contractor which must be included in that contract in accordance with this Clause 2.2.
- 2.3 The Contractor shall indemnify the Authority and at all times keep the Authority indemnified in respect of any Claim in connection with any failure or alleged failure by the Contractor, the Sub-contractor or Sub-sub-contractor as the case may be, to comply with the Schemes or the Admission Agreement to which the Contractor, the Sub-contractor or the Sub-sub-contractor as the case may be, is a party or to comply with (in the case of the Contractor) the provisions of this clause 2 or (in the case of a Sub-contractor or Sub-sub-contractor) the provisions to be included in the Contract pursuant to clause 2.2.
- 2.4 If the Sub-contractor or Sub-sub-contractor fails to pay by the due date any amount payable to any of the Schemes the Authority may deduct an amount equal to that which has not been paid from any money otherwise payable by the Authority to the Contractor and pay that amount to the Schemes.
- 2.5 Save with the approval of the Authority the Contractor shall not and shall procure any Sub-contractor and/or Sub-sub contractor as applicable shall not on or after the earliest of:
- 2.5.1 the date which is eighteen (18) months before the Expiry Date;
- 2.5.2 the Authority giving the Contractor a Termination Notice terminating the whole of this Agreement or any part of the Services;
- 2.5.3 the Contractor giving notice under clause 54.2 (Force Majeure) and such notice is accepted by the Authority;
- 2.5.4 on notification to the Contractor by the Authority of a replacement contractor; and
- 2.5.5 on receipt by the Contractor of a written request by the Authority,
- allow (other than as required by law or an amendment to the Schemes) the grant or variation of any new or existing Relevant Benefits for or in respect of any employee of the Contractor to be made, announced or proposed.
- 2.6 The Contractor shall not and shall procure that the Sub-contractor and/or Sub-sub contractor shall not issue any announcements to Former Authority Employees prior to the Relevant Transfer Date concerning the matters in this clause 2 without the consent in writing of the Authority (such consent not to be unreasonably withheld or delayed) and the Authority shall not issue any such announcement without the consent of the Contractor (such consent not to be unreasonably withheld or delayed).
- 2.7 The Contractor shall procure, and shall ensure that any Sub-contractor or Sub-sub-contractor shall procure, that any information to be provided to the Authority pursuant to the Admission Agreement is sent to the Authority’s Commercial Officer as detailed

in DEFFORM 111 at Schedule 16.

- 2.8 The Contractor shall not recover any costs and/or other payments in relation to New Fair Deal where such costs and/or payments are recoverable or have already been recovered by the Contractor elsewhere in this Contract or otherwise. If the Contractor does recover costs and/or other payments as set out in this paragraph 2.8 the Authority may deduct an amount equal to the amount of such costs and/or other payments from any money otherwise payable by the Authority to the Contractor.
- 2.9 The Contractor shall provide and shall procure each Sub-contractor or Sub-sub-contractor as appropriate provides all such co-operation and assistance as the Schemes and a Replacement contractor or sub-contractor of a replacement contractor and/or the Authority may reasonably require to enable the replacement contractor or sub-contractor of a replacement contractor to participate in the Schemes in respect of any Former Authority Employee and to give effect to any transfer of accrued rights required as part of the participation under New Fair Deal.
- 2.10 The Contractor undertakes to the Authority to indemnify and keep indemnified the Authority on demand against any liability out of or attributable to or in any way connected with the transmission of information supplied to it by the Contractor, Sub-contractor or Sub-sub-contractor as in connection with a re-tendering or proposed re-tendering of all or any of the Services.
- 2.11 The Contractor and the Authority acknowledge that the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) is not covered by the protection of New Fair Deal. Nevertheless it is agreed that the Contractor shall provide and shall ensure that the Sub-Contractor and Sub-sub-contractor shall provide for each Former Authority Employee, as far as practicable, on termination of employment on or after the Relevant Transfer Date, equivalent rights to which each Former Authority Employee would have been entitled under the Civil Service Injury Benefit Scheme had the Former Authority Employee been employed by the Authority at the relevant time and the Former Authority Employee shall be provided by the Contractor, Sub-contractor and/or Sub-sub-contractor as the case may be, with compensation that is broadly comparable or of equal value to the lost entitlement.

SCHEDULE 19B - CORE SERVICES + MT – PENSION MATTERS

- 1.2 In this Schedule 19B Part 3, save where otherwise provided, words and terms defined in DEFCON 501, Schedule 1 (Definitions), Schedule 8B Part 1 or Schedule 8B Part 2 of the Contract shall have the meaning ascribed to them in Schedule 1 (Definitions), Schedule 8B Part 1 or Schedule 8B Part 2 of the Contract.
- 1.3 Without prejudice to Schedule 1 (Definitions) of the Contract, Schedule 8B Part 1, or Schedule 8B, Part 2, in this Schedule 8B Part 3 unless the context otherwise requires:

“Active Member” means an individual who has been admitted to and remains in active membership of any of the Schemes.

“Admission Agreement” means in relation to the Contractor or a Sub-contractor an agreement made (or to be made) between (1) The Minister for the Cabinet Office (2) the Contractor or the Sub-contractor, as the case may be, and (3) the Authority relating to the participation of the Contractor or the Sub-contractor, as applicable, in the Schemes for the benefit of those of the Former Authority Employees who are for the time being employed by the Contractor or the Sub-contractor, as applicable, and which is in the form set out in Annex A to this Schedule.

“Contractor Default” means the breach of any term of the Admission Agreement to which the Contractor or, as applicable, the sub-Contractor is a party and, if the breach is capable of remedy, the Contractor or, as applicable, the Sub-Contractor does not remedy the breach within 10 Business Days from being notified of the breach by the Schemes, The Minister for the Cabinet Office or the Authority.

“Former Authority Employee” means at any time any person whose employment with the Authority is transferred to the Contractor or a Sub-contractor pursuant to the Transfer Regulations and/or any person who is an ex-employee of the Authority and whose employment with a Previous Contractor is transferred to the Contractor or a Sub-contractor pursuant to the Transfer Regulations and who is for the time being employed by the Contractor or a Sub-contractor provided that since such person was employed by the Authority (a) he has not ceased to be eligible for membership of the Schemes; and (b) any change in his employer has been effected pursuant to the Transfer Regulations;

“New Fair Deal” means the revised Fair Deal policy set out in HM Treasury’s guidance “Fair Deal for staff pensions: staff transfers from central government” issued in October 2013.

“New Scheme” means the public service pension scheme for civil servants established under the Public Service Pensions Act 2013 and planned to be introduced with effect on and from 1 April 2015 (and includes, unless the context otherwise requires, any successor scheme).

“PCSPS” means the Principal Civil Service Pension Scheme established under The Superannuation Act 1972.

“Pension Schemes” means the New Scheme and/or the PCSPS whichever is or are relevant in the context (and includes, unless the context otherwise requires, the respective managers from time to time of such scheme or schemes).

“Previous Contractor” means Serco Ltd;

“Relevant Benefits” means any benefit payable on retirement, on death, on reaching a particular age, on the onset of serious ill-health or incapacity or in similar circumstances (including the provision of medical, dental or similar benefits).

“Relevant Transfer Date” means the date on which a transfer to the Contractor or a Sub-contractor is effected pursuant to this Contract and the Transfer Regulations.

“Schemes” means the PCSPS, the Partnership Pension Account and its (i) Ill-health Benefits Scheme and (ii) Death Benefits Scheme, the Civil Service Additional Voluntary Contribution Scheme, the New Scheme (with effect from the date of its commencement) each as amended or replaced from time to time, or such one of them as is or are relevant in context. Any reference to the Schemes includes, unless the context otherwise requires, a reference to the respective managers from time to time of the Schemes.

“Transfer Regulations” means the means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time and/or the Service Provision Change (Protection of Employment) Regulations (Northern Ireland) 2006 (as amended from time to time), as appropriate .

2. Pensions

2.1 The Contractor shall:

2.1.1 comply with the Admission Agreement to which it is a party and shall not terminate the Admission Agreement while the Contractor is providing any of the Services;

2.1.1.2 ensure that on each occasion (including, but without limitation, on the termination of a contract between the Contractor and a Sub-contractor) any Former Authority Employee becomes an employee of the Contractor pursuant to the Transfer Regulations (and the date upon which he becomes such an employee is called the “Employment Date”) the Former Authority Employee if not already an Active Member of the Pension Schemes becomes such an Active Member with effect as on and from the Employment Date provided that this is permitted under the terms of the Pension Schemes and the Admission Agreement as applicable; and

2.1.3 ensure that in relation to each Former Authority Employee who immediately prior to the Employment Date is an Active Member or who becomes an Active Member with effect from that date and for so long as the Former Authority Employee is employed by the Contractor and is assigned to or otherwise engaged at least to the minimum extent specified in the Admission Agreement in the provision of the Services or any of them:

2.1.3.1 it is an express term of the contract of employment of the Former Authority Employee with the Contractor that the Contractor shall ensure that (subject to the terms from time to time of the Schemes and the Admission Agreement) the Former Authority Employee may be and may continue to be an Active Member; and

2.1.3.2 each such Former Authority Employee is able to be and remain such an Active Member;

2.1.4 The Contractor agrees that the employer contribution rates which are payable to the Schemes in respect of the Former Authority Employees whether by the Contractor, Sub-contractor or Sub-sub-contractor shall be priced on a pass-through basis in accordance with pricing schedule.

2.1.5 if it is in arrears in respect of any contributions due to the Schemes in respect of any Former Authority Employee, agree (which agreement the Contractor hereby irrevocably gives) that the Authority may deduct an amount equal to that which is overdue from any monies due to the Contractor and pay that amount to the relevant Scheme.

2.2 The Contractor shall ensure that no Sub-contractor by whom any of the Former Authority Employees become employed pursuant to the Transfer Regulations is appointed unless the contract under which the Sub-contractor is to provide any of the Services (the "Contract") contains terms which provide for the following:

2.2.1 a condition precedent (which may not be waived) to such contract becoming effective is that there is in force an Admission Agreement between (1) The Minister for the Cabinet Office (2) the Sub-contractor, and (3) the Authority;

2.2.2 the Sub-contractor must at all material times comply with the Admission Agreement and will not terminate the Admission Agreement while the Sub-contractor is providing any of the Services;

2.2.3 a breach of the Admission Agreement which is not capable of remedy or which if it is capable of remedy is not remedied within 10 Business Days of the Sub-contractor being given notice of such breach by the Schemes, the Minister for the Cabinet Office (in respect of the Admission Agreement) or the Authority is an event of default by the Sub-contractor enabling the other party to the Contract to terminate the Contract or the Contractor to terminate the Sub-contract (which the Contractor undertakes to the authority to do if directed to do so by the Authority) immediately on the giving of notice and no notice to waive the event of default or which states that termination is not immediate and reserves a future right to terminate may be given without the consent in writing of the Authority;

2.2.4 on each occasion (including, but without limitation, the termination of any contract pursuant to which the Sub-contractor sub-subcontracts the provisions of any of the Services) any Former Authority Employee becomes an employee of the Sub-contractor pursuant to the Transfer Regulations the Former Authority Employee shall if he is not already an Active Member of the Pension Schemes become such an Active Member with effect as on and from the date upon which he becomes such an employee provided that this is permitted under the terms of the Pension Schemes and the Admission Agreement;

2.2.5 on each such occasion the Sub-contractor must make it a term of the contract of employment of each Former Authority Employee employed by the Sub-contractor that the Sub-contractor must ensure that the Former Authority Employee may be an Active Member at all times he is assigned to or otherwise engaged at least to the minimum extent specified in the Admission Agreement in the provision of any of the Services (subject to the terms of the Schemes from time to time and the Admission Agreement);

2.2.6 any contract pursuant to which the Sub-contractor sub-contracts to another

person (the “Sub-sub-contractor”) and which results in any Former Authority Employer becoming an employee of the Sub-sub-contractor pursuant to the Transfer Regulations must contain the same terms as must be included in the Sub-contractor’s contract in accordance with this Clause 2.2 and such contract shall not take effect unless and until there is in force an Admission Agreement to which the Sub-sub-contractor is a party; and

- 2.2.7 the Sub-contractor must use its best endeavours to enforce the terms of his contract with the Sub-sub-contractor which must be included in that contract in accordance with this Clause 2.2.
- 2.3 The Contractor shall indemnify the Authority and at all times keep the Authority indemnified in respect of any Claim in connection with any failure or alleged failure by the Contractor, the Sub-contractor or Sub-sub-contractor as the case may be, to comply with the Schemes or the Admission Agreement to which the Contractor, the Sub-contractor or the Sub-sub-contractor as the case may be, is a party or to comply with (in the case of the Contractor) the provisions of this clause 2 or (in the case of a Sub-contractor or Sub-sub-contractor) the provisions to be included in the Contract pursuant to clause 2.2.
- 2.4 If the Sub-contractor or Sub-sub-contractor fails to pay by the due date any amount payable to any of the Schemes the Authority may deduct an amount equal to that which has not been paid from any money otherwise payable by the Authority to the Contractor and pay that amount to the Schemes.
- 2.5 Save with the approval of the Authority the Contractor shall not and shall procure any Sub-contractor and/or Sub-sub contractor as applicable shall not on or after the earliest of:
 - 2.5.1 the date which is eighteen (18) months before the Expiry Date;
 - 2.5.2 the Authority giving the Contractor a Termination Notice terminating the whole of this Agreement or any part of the Services;
 - 2.5.3 the Contractor giving notice under clause 54.2 (Force Majeure) and such notice is accepted by the Authority;
 - 2.5.4 on notification to the Contractor by the Authority of a replacement contractor; and
 - 2.5.5 on receipt by the Contractor of a written request by the Authority,allow (other than as required by law or an amendment to the Schemes) the grant or variation of any new or existing Relevant Benefits for or in respect of any employee of the Contractor to be made, announced or proposed.
- 2.6 The Contractor shall not and shall procure that the Sub-contractor and/or Sub-sub contractor shall not issue any announcements to Former Authority Employees prior to the Relevant Transfer Date concerning the matters in this clause 2 without the consent in writing of the Authority (such consent not to be unreasonably withheld or delayed) and the Authority shall not issue any such announcement without the consent of the Contractor (such consent not to be unreasonably withheld or delayed).
- 2.7 The Contractor shall procure, and shall ensure that any Sub-contractor or Sub-sub-contractor shall procure, that any information to be provided to the Authority pursuant to the Admission Agreement is sent to the Authority Commercial Officer specified in

Schedule 16 (DEFFORM 111).

- 2.8 The Contractor shall not recover any costs and/or other payments in relation to New Fair Deal where such costs and/or payments are recoverable or have already been recovered by the Contractor elsewhere in this Contract or otherwise. If the Contractor does recover costs and/or other payments as set out in this paragraph 2.8 the Authority may deduct an amount equal to the amount of such costs and/or other payments from any money otherwise payable by the Authority to the Contractor.
- 2.9 The Contractor shall provide and shall procure each Sub-contractor or Sub-sub-contractor as appropriate provides all such co-operation and assistance as the Schemes and a Replacement contractor or sub-contractor of a replacement contractor and/or the Authority may reasonably require to enable the replacement contractor or sub-contractor of a replacement contractor to participate in the Schemes in respect of any Former Authority Employee and to give effect to any transfer of accrued rights required as part of the participation under New Fair Deal.
- 2.10 The Contractor undertakes to the Authority to indemnify and keep indemnified the Authority on demand against any liability out of or attributable to or in any way connected with the transmission of information supplied to it by the Contractor, Sub-contractor or Sub-sub-contractor as in connection with a re-tendering or proposed re-tendering of all or any of the Services.
- 2.11 The Contractor and the Authority acknowledge that the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) is not covered by the protection of New Fair Deal. Nevertheless it is agreed that the Contractor shall provide and shall ensure that the Sub-Contractor and Sub-sub-contractor shall provide for each Former Authority Employee, as far as practicable, on termination of employment on or after the Relevant Transfer Date, equivalent rights to which each Former Authority Employee would have been entitled under the Civil Service Injury Benefit Scheme had the Former Authority Employee been employed by the Authority at the relevant time and the Former Authority Employee shall be provided by the Contractor, Sub-contractor and/or Sub-sub-contractor as the case may be, with compensation that is broadly comparable or of equal value to the lost entitlement.