

CALL OFF SCHEDULE 14: STAFF TRANSFER

1. DEFINITIONS

1.1 In this Call Off Schedule 14 (Staff Transfer), the following definitions shall apply:

“Admission Agreement”	either or both of the CSPS Admission Agreement (as defined in Annex D1: CSPS) or the LGPS Admission Agreement (as defined in Annex D3: LGPS), as the context requires;
“Employment Regulations”	the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced;
“Former Supplier”	a supplier supplying the Services to the Buyer before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any subsidiary or group company and/or Sub-Contractor of such supplier (or any Sub-Contractor of any such Sub-Contractor);
“New Fair Deal”	<p>the revised Fair Deal position set out in the HM Treasury guidance: <i>“Fair Deal for Staff Pensions: Staff Transfer from Central Government”</i> issued in October 2013 including:</p> <ul style="list-style-type: none">(a) any amendments to that document immediately prior to the Relevant Transfer Date; and(b) any similar pension protection in accordance with the subsequent Annex D1-D3 inclusive to Part D of this Schedule as notified to the Supplier by the Buyer.
“Partial Termination”	the partial termination of this Contract to the extent that it relates to the provision of any part of the Services;
“Relevant Transfer”	a transfer of employment to which the Employment Regulations applies;
“Relevant Transfer Date”	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place, and for the purposes of Part D: Pensions, where no Relevant Transfer takes place, shall include the Commencement Date, where appropriate;
“Replacement Sub-Contractor”	a Sub-Contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any Sub-Contractor of any such Sub-Contractor);
“Service Transfer”	any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-Contractor to a Replacement Supplier or a Replacement Sub-Contractor;
“Service Transfer Date”	the date of a Service Transfer or, if more than one, the date of the relevant Service Transfer as the context requires;

**“Supplier’s
Final Supplier
Personnel List”**

a list provided by the Supplier or Sub-Contractor of all Supplier Personnel who will transfer under the Employment Regulations on the Service Transfer Date;

**“Supplier’s
Provisional
Supplier
Personnel List”**

a list prepared and updated by the Supplier or Sub-Contractor of all Supplier Personnel who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier or Sub-Contractor;

**“Staffing
Information”**

in relation to all persons identified on the Supplier’s Provisional Supplier Personnel List or Supplier’s Final Supplier Personnel List, as the case may be, such information as the Buyer may reasonably request (subject to all applicable provisions of the Data Protection Legislation), but including in an anonymised format:

- (a) their ages, dates of commencement of employment or engagement, gender and place of work;
- (b) details of whether they are employed, self-employed contractors or consultants, agency workers or otherwise;
- (c) the identity of the employer or relevant contracting Party;
- (d) their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;
- (e) their wages, salaries, bonuses and profit sharing arrangements as applicable;
- (f) details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;
- (g) any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);
- (h) details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;
- (i) copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and

- (j) any other “employee liability information” as such term is defined in regulation 11 of the Employment Regulations;

“Transferring Buyer Employees” those employees of the Buyer to whom the Employment Regulations will apply on the Relevant Transfer Date and whose names are provided to the Supplier on or prior to the Relevant Transfer Date;

“Transferring Former Supplier Employees” in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date and whose names are provided to the Supplier on or prior to the Relevant Transfer Date; and

“Transferring Supplier Employees” those employees of the Supplier and/or the Supplier’s Sub-Contractor(s) to whom the Employment Regulations will apply on the Service Transfer Date.

2. INTERPRETATION

Where a provision in this Schedule imposes any obligation on the Supplier including (without limit) to comply with a requirement or provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-Contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Buyer, Former Supplier, Replacement Supplier or Replacement Sub-Contractor, as the case may be and where the Sub-contractor fails to satisfy any claims under such indemnities the Supplier will be liable for satisfying any such claim as if it had provided the indemnity itself.

3. Which parts of this Schedule apply

3.1 The Parties agree that the following parts of this Schedule shall apply to this Contract:

- 3.1.1 Part B (staff transfer on commencement of Services or part of Services – transfer from Former Supplier)
- 3.1.2 Part C (no staff transfer of Buyer employees expected on commencement of Services or part of Services)
- 3.1.3 Part D (Pensions)
 - (a) Annex D1 (CSPS)
 - (c) Annex D3 (LGPS)
- 3.1.4 Part E (Employment Exit Provisions)

**PART A - STAFF TRANSFER ON COMMENCEMENT OF SERVICES OR
PART OF SERVICES – NOT USED**

Outsourcing from the Buyer – NOT USED

1. WHAT IS A RELEVANT TRANSFER

1.1 The Buyer and the Supplier agree that:

- 1.1.1 the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring Buyer Employees;
- 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between the Buyer and the Transferring Buyer Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Sub-Contractor and each such Transferring Buyer Employee; and
- 1.1.3 the Buyer shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Buyer Employees in respect of the period arising up to (but not including) the Relevant Transfer Date including (without limit) the payment of all remuneration, benefits, entitlements, PAYE, national insurance contributions and pension contributions.

2. INDEMNITIES THE BUYER MUST GIVE

- 2.1 Subject to Paragraph 2.2, the Buyer shall indemnify the Supplier and any Sub-Contractor against any Employee Liabilities arising from or as a result of any act or omission by the indemnifying party in respect of any Transferring Buyer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Buyer Employee occurring before the Relevant Transfer Date.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date.
- 2.3 Subject to Paragraphs 2.4 and 2.5, if any employee of the Buyer who is not identified as a Transferring Buyer Employee claims, or it is determined in relation to any employees of the Buyer, that his/her contract of employment has been transferred from the Buyer to the Supplier and/or any Sub-Contractor pursuant to the Employment Regulations then:
 - 2.3.1 the Supplier will, within five (5) Working Days of becoming aware of that fact, notify the Buyer in writing;
 - 2.3.2 the Buyer may offer employment to such person, or take such other steps as it considers appropriate to resolve the matter, within ten (10) Working Days of receipt of notice from the Supplier;
 - 2.3.3 if such offer of employment is accepted, the Supplier shall immediately release the person from its employment;

- 2.3.4 if after the period referred to in Paragraph 2.3.2 no such offer has been made, or such offer has been made but not accepted, the Supplier may within five (5) Working Days give notice to terminate the employment of such person;

and subject to the Supplier's compliance with Paragraphs 2.3.1 to 2.3.4 the Buyer will indemnify the Supplier and/or the relevant Sub-Contractor against all Employee Liabilities arising out of the termination of the employment of any of the Buyer's employees referred to in this Paragraph 2.3.

- 2.4 The indemnity in Paragraph 2.3 shall not apply to any claim:

2.4.1 for discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief or equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees in relation to any alleged act or omission of the Supplier and/or any Sub-Contractor; or

2.4.2 any claim that the termination of employment was unfair because the Supplier and/or any Sub-Contractor neglected to follow a fair dismissal procedure.

- 2.5 The indemnity in Paragraph 2.3 shall not apply to any termination of employment occurring later than three (3) months from the Relevant Transfer Date.

- 2.6 If the Supplier and/or any Sub-Contractor at any point accept the employment of any person as is described in Paragraph 2.3, such person shall be treated as having transferred to the Supplier and/or any Sub-Contractor and the Supplier shall comply with such obligations as may be imposed upon it under applicable Law.

3. INDEMNITIES THE SUPPLIER MUST GIVE AND ITS OBLIGATIONS

- 3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Buyer against any Employee Liabilities arising from or as a result of any act or omission by the Supplier or any Sub-Contractor in respect of any Transferring Buyer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Buyer Employee whether occurring before, on or after the Relevant Transfer Date.

- 3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Buyer whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Buyer's failure to comply with its obligations under the Employment Regulations.

- 3.3 The Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Buyer Employees, from (and including) the Relevant Transfer Date including (without limit) the payment of all remuneration, benefits, entitlements, PAYE, national insurance contributions and pension contributions and any other sums due under Part D: Pensions.

4. INFORMATION THE SUPPLIER MUST PROVIDE

The Supplier shall promptly provide to the Buyer in writing such information as is necessary to enable the Buyer to carry out its duties under regulation 13 of the Employment Regulations. The Buyer shall promptly provide to the Supplier in writing such information as is necessary to

enable the Supplier and any Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5. CABINET OFFICE REQUIREMENTS

- 5.1 The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Supplier of employees whose employment begins after the Relevant Transfer Date, and the Supplier undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.
- 5.2 The Supplier shall comply with any requirement notified to it by the Buyer relating to pensions in respect of any Transferring Buyer Employee as set down in (i) the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007; (ii) HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999; (iii) HM Treasury's guidance "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or (iv) the New Fair Deal.
- 5.3 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Change Control Procedure.

6. PENSIONS

- 6.1 The Supplier shall comply with:
 - 6.1.1 all statutory pension obligations in respect of all Transferring Buyer Employees; and
 - 6.1.2 the provisions in Part D: Pensions.

PART B – STAFF TRANSFER ON COMMENCEMENT OF SERVICES OR PART OF SERVICES – TRANSFER FROM FORMER SUPPLIER

Transfer from a former supplier on re-procurement at the commencement of Services or part of Services

1. WHAT IS A RELEVANT TRANSFER

1.1 The Buyer and the Supplier agree that:

- 1.1.1 the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and
- 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Sub-Contractor and each such Transferring Former Supplier Employee.

1.2 The Buyer shall procure that each Former Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees in respect of the period up to (and including) the Relevant Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period ending on (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Supplier and any relevant Sub-Contractor, and (ii) the Former Supplier (as appropriate).

2. INDEMNITIES GIVEN BY THE FORMER SUPPLIER

2.1 Subject to Paragraph 2.2, the Buyer shall procure that each Former Supplier shall indemnify the Supplier and any Sub-Contractor against any Employee Liabilities arising from or as a result of:

- 2.1.1 any act or omission by the Former Supplier in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee arising before, on or after the Relevant Transfer Date;
- 2.1.2 the breach or non-observance by the Former Supplier occurring on or before the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Supplier Employees; and/or
 - (b) any other custom or practice with a trade union or staff association in respect of any Transferring Former Supplier Employees which the Former Supplier is contractually bound to honour;

- 2.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Former Supplier to comply with any legal obligation to such trade union, body or person arising on or before the Relevant Transfer Date;
 - 2.1.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not identified as a Transferring Former Supplier Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Buyer and/or the Supplier and/or any Sub-Contractor, to the extent that the proceeding claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Relevant Transfer Date;
 - 2.1.5 a failure of the Former Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period up to (and including) the Relevant Transfer Date;
 - 2.1.6 any claim made by or in respect of any person employed or formerly employed by the Former Supplier other than a Transferring Former Supplier Employee for whom it is alleged the Buyer and/or the Supplier and/or any Sub-Contractor may be liable by virtue of this Agreement and/or the Employment Regulations; and
 - 2.1.7 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Former Supplier and/or Sub-Contractor of the Former Supplier in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Buyer and/or Supplier to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date, including any Employee Liabilities:
- 2.2.1 arising out of the resignation of any Transferring Former Supplier Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier and/or Sub-Contractor to occur in the period on or after the Relevant Transfer Date; or
 - 2.2.2 arising from the Supplier's failure and/or Sub-Contractor's failure, to comply with its obligations under the Employment Regulations.

- 2.3 If any employee of a Former Supplier who is not identified as a Transferring Former Supplier Employee claims, and/or it is determined, in relation to such person that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Sub-Contractor pursuant to the Employment Regulations then:
- 2.3.1 the Supplier and/or any Sub-Contractor will, within five (5) Working Days of becoming aware of that fact, notify the Buyer and the relevant Former Supplier in writing;
 - 2.3.2 the Former Supplier may offer employment to such person, within fifteen (15) Working Days of the notification by the Supplier and/or any relevant Sub-Contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law;
 - 2.3.3 if such offer of employment is accepted, or if the situation has otherwise been resolved by the Former Supplier, the Supplier and/or any Sub-Contractor shall immediately release the person from its employment or alleged employment;
 - 2.3.4 if, after the period referred to in Paragraph 2.3.2 has elapsed:
 - (a) no such offer of employment has been made;
 - (b) such offer has been made but not accepted; or
 - (c) the situation has not otherwise been resolved,
- the Supplier and/or any Sub-Contractor as appropriate may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.
- 2.4 Subject to the Supplier's and/or Sub-Contractor's compliance with Paragraphs 2.3.1 to 2.3.4, and in accordance with all applicable proper employment procedures set out in applicable Law, the Buyer shall procure that the Former Supplier will indemnify the Supplier and/or the relevant Sub-Contractor against all Employee Liabilities arising out of the termination of the employment pursuant to the provisions of Paragraph 2.3 provided that the Supplier and/or Sub-Contractor takes all reasonable steps to minimise any such Employee Liabilities.
- 2.5 The indemnity in Paragraph 2.4 shall not apply to any claim:
- 2.5.1 for discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief;
 - 2.5.2 for equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees;

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-Contractor; or
 - 2.5.3 that the termination of employment was unfair because the Supplier and/or Sub-Contractor neglected to follow a fair dismissal procedure.
- 2.6 The indemnity in Paragraph 2.4 shall apply only where the notification at Paragraph 2.3.1 is made by the Supplier and/or Sub-Contractor to the Former Supplier within six (6) months of the Relevant Transfer Date.

- 2.7 If any such person as described in Paragraph 2.3 is neither re-employed by the Former Supplier nor dismissed by the Supplier and/or any Sub-Contractor within the timescales set out in Paragraph 2.3, such person shall be treated as a Transferring Former Supplier Employee.

3. INDEMNITIES THE SUPPLIER MUST GIVE AND ITS OBLIGATIONS

- 3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Buyer, and the Former Supplier on its own behalf and on behalf of any Sub-Contractor against any Employee Liabilities arising from or as a result of:

- 3.1.1 any act or omission by the Supplier or any Sub-Contractor in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee;
- 3.1.2 the breach or non-observance by the Supplier or any Sub-Contractor on or after the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Supplier Employees; and/or
 - (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier and/or Sub-Contractor is contractually bound to honour;
- 3.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employee arising from or connected with any failure by the Supplier and/or Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
- 3.1.4 any proposal by the Supplier and/or Sub-Contractor to change the terms and conditions of employment or working conditions of any Transferring Former Supplier Employee on or after their transfer to the Supplier and/or any relevant Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
- 3.1.5 any statement communicated to or action undertaken by the Supplier or Sub-Contractor to, or in respect of, any person identified as a Transferring Former Supplier Employee on or before the Relevant Transfer Date regarding the Relevant Transfer which had not been agreed in advance with the Former Supplier in writing;
- 3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Relevant Transfer Date; and

- (b) in relation to any employee that is not a Transferring Former Supplier Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or Sub-Contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Relevant Transfer Date;
- 3.1.7 a failure of the Supplier or Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date; and
- 3.1.8 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of such Transferring Former Supplier Employee relating to any act or omission of the Supplier or Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13(4) of the Employment Regulations.
- 3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.
- 3.3 The Supplier shall, and shall procure that any Sub-Contractor shall, comply with all its obligations under the Employment Regulations and shall, and shall procure that any relevant Sub-Contractor shall, perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and any other sums due under the Admission Agreement or in relation to any broadly comparable pension scheme which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

4. INFORMATION THE SUPPLIER MUST GIVE

The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to the Buyer and /or at the Buyer's direction, the Former Supplier, in writing such information as is necessary to enable the Buyer and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. The Buyer shall procure that the Former Supplier shall promptly provide to the Supplier and any relevant Sub-Contractor in writing such information as is necessary to enable the Supplier and any Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5. CABINET OFFICE REQUIREMENTS

- 5.1 The Supplier shall comply with any requirement notified to it by the Buyer relating to pensions in respect of any Transferring Former Supplier Employee as set down in (i) the Cabinet Office

Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007; (ii) HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999; (iii) HM Treasury's guidance: "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or (iv) the New Fair Deal.

- 5.2 Any changes necessary to this Contract as a result of changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Change Control Procedure.

6. LIMITS ON THE FORMER SUPPLIER'S OBLIGATIONS

Notwithstanding any other provisions of this Part B, where in this Part B the Buyer accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Buyer's contract with the Former Supplier contains a contractual right in that regard which the Buyer may enforce, or otherwise so that it requires only that the Buyer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

7. PENSIONS

- 7.1 The Supplier shall, and shall procure that each Sub-Contractor shall, comply with:

- 7.1.1 all statutory pension obligations in respect of all Transferring Former Supplier Employees; and
- 7.1.2 the provisions in Part D: Pensions (and its Annexes).

PART C – NO STAFF TRANSFER OF BUYER EMPLOYEES EXPECTED ON COMMENCEMENT OF SERVICES OR PART OF SERVICES

1. WHAT HAPPENS IF THERE IS A STAFF TRANSFER

1.1 The Buyer and the Supplier agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of the Buyer.

1.2 If any employee of the Buyer claims, or it is determined in relation to any employee of the Buyer, that his/her contract of employment has been transferred from the Buyer to the Supplier and/or any Sub-Contractor pursuant to the Employment Regulations then:

1.2.1 the Supplier will, and shall procure that the relevant Sub-Contractor will, within five (5) Working Days of becoming aware of that fact, notify the Buyer in writing; and

1.2.2 the Buyer may offer (or may procure that a third party may offer) employment to such person, or take such other reasonable steps as it considered appropriate to resolve the matter (provided always that such steps are in compliance with applicable Law), within fifteen (15) Working Days of receipt of notice from the Supplier or the Sub-Contractor (as appropriate);

1.2.3 if such offer of employment is accepted, or if the situation has otherwise been resolved by the Buyer, the Supplier shall or shall procure that the Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.

1.2.4 if after the period referred to in Paragraph 1.2.2

- (a) no such offer has been made;
- (b) such offer has been made but not accepted; or
- (c) the situation has not otherwise been resolved,

the Supplier and/or the Sub-Contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

1.3 Subject to the Supplier's and/or the relevant Sub-Contractor's compliance with Paragraphs 1.2.1 to 1.2.4 above and in accordance with all applicable employment procedures set out in applicable Law and also subject to Paragraphs 1.4 and 1.5 below,

the Buyer will indemnify the Supplier and/or the relevant Sub-Contractor against all Employee Liabilities arising out of the termination of the employment of any of the Buyer's employees referred to in Paragraph 1.2, provided that the Supplier takes, or procures that the relevant Sub-Contractor takes, all reasonable steps to minimise any such Employment Liabilities.

- 1.4 The indemnity in Paragraph 1.3 shall not apply to any claim:
- 1.4.1 for discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
 - 1.4.2 for equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees, in any case in relation to any alleged act or omission of the Supplier and/or any Sub-Contractor; or
 - 1.4.3 that the termination of employment was unfair because the Supplier and/or any Sub-Contractor neglected to follow a fair dismissal procedure.
- 1.5 The indemnity in Paragraph 1.3 shall not apply to any termination of employment occurring later than three (3) months from the Commencement Date.
- 1.6 If any such person as is described in Paragraph 1.2 is neither re-employed by the Buyer as appropriate nor dismissed by the Supplier and/or any Sub-Contractor within the fifteen (15) Working Day period referred to in Paragraph 1.2.2 such person shall be treated as having transferred to the Supplier and/or the Sub-Contractor (as appropriate) and the Supplier shall, or shall procure that the Sub-Contractor shall, (i) comply with such obligations as may be imposed on it under Law, and (ii) comply with the provisions of Part D (Pensions).
- 1.7 If the Supplier and/or the Sub-Contractor does not comply with Paragraph 1.2 and/or where any person remains employed by the Supplier and/or the Sub-Contractor, all Employee Liabilities in relation to such employees shall remain with the Supplier and/or the Sub-Contractor and the Supplier shall and shall procure that the Sub-Contractor shall indemnify the Buyer against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Sub-Contractor.

PART D – PENSIONS

1. DEFINITIONS

1.1 In this Part D, the following definitions shall apply and shall be deemed to include the definitions set out in the Annexes:

“Actuary”		a Fellow of the Institute and Faculty of Actuaries;
“Broadly Comparable”		<p>(a) in respect of a pension scheme, a status satisfying the condition that there are no identifiable employees who will suffer material detriment overall in terms of future accrual of pension benefits as assessed in accordance with Annex A of New Fair Deal and demonstrated by the issue by the Government Actuary’s Department of a broad comparability certificate; and</p> <p>(b) in respect of benefits provided for or in respect of a member under a pension scheme, benefits that are consistent with that pension scheme’s certificate of broad comparability issued by the Government Actuary’s Department,</p> <p>and “Broad Comparability” shall be construed accordingly;</p>
“CSPS”		the schemes as defined in Annex D1 to this Part D;
“Fair Employees”	Deal	<p>those:</p> <p>(a) Transferring Buyer Employees; and/or</p> <p>(b) Transferring Former Supplier Employees; and/or</p> <p>(c) employees who are not Transferring Buyer Employees or Transferring Former Supplier Employees but to whom the Employment Regulations apply on the Relevant Transfer Date to transfer their employment to the Supplier or a Sub-Contractor, and whose employment is not terminated in accordance with the provisions of Paragraphs 2.3.4 of Parts A or B or Paragraph 1.2.4 of Part C;</p> <p>(d) where the Former Supplier becomes the Supplier those employees;</p> <p>who at the Commencement Date or Relevant Transfer Date (as appropriate) are or become entitled to New Fair Deal protection in respect of any of the Statutory Schemes;</p>
“Fair Schemes”	Deal	means the relevant Statutory Scheme or a Broadly Comparable pension scheme;
“Fund Actuary”		means Fund Actuary as defined in Annex D3 to this Part D;

“LGPS”	the schemes as defined in Annex D3 to this Part D;
“NHSPS”	the schemes as defined in Annex D2 to this Part D; and
“Statutory Schemes”	means the CSPA, NHSPS or LGPS.

2. SUPPLIER OBLIGATIONS TO PARTICIPATE IN THE PENSION SCHEMES

- 2.1 In respect of all or any Fair Deal Employees each of Annex D1: CSPA, Annex D2: NHSPS and/or Annex D3: LGPS shall apply, as appropriate.
- 2.2 The Supplier undertakes to do all such things and execute any documents (including any relevant Admission Agreement and/or Direction Letter, if necessary) as may be required to enable the Supplier to participate in the appropriate Statutory Scheme in respect of the Fair Deal Employees and shall bear its own costs in such regard.
- 2.3 The Supplier undertakes:
 - 2.3.1 to pay to the Statutory Schemes all such amounts as are due under the relevant Admission Agreement and/or Direction Letter or otherwise and shall deduct and pay to the Statutory Schemes such employee contributions as are required; and
 - 2.3.2 to be fully responsible for all other costs, contributions, payments and other amounts relating to its participation in the Statutory Schemes, including for the avoidance of doubt any exit payments and the costs of providing any bond, indemnity or guarantee required in relation to such participation.

3. SUPPLIER OBLIGATION TO PROVIDE INFORMATION

- 3.1 The Supplier undertakes to the Buyer:
 - 3.1.1 to provide all information which the Buyer may reasonably request concerning matters referred to in this Part D as expeditiously as possible; and
 - 3.1.2 not to issue any announcements to any Fair Deal Employee prior to the Relevant Transfer Date concerning the matters stated in this Part D without the consent in writing of the Buyer (such consent not to be unreasonably withheld or delayed).

4. INDEMNITIES THE SUPPLIER MUST GIVE

- 4.1 The Supplier undertakes to the Buyer to indemnify and keep indemnified NHS Pensions the Buyer and/or any Replacement Supplier and/or any Replacement Sub-Contractor on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards all and any Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which arise from any breach by the Supplier of this Part D, and/or the CSPA Admission Agreement and/or the Direction Letter and/or the LGPS Admission Agreement or relates to the payment of benefits under and/or participation in an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Fair Deal Schemes.

- 4.2 The Supplier hereby indemnifies the NHS Pensions, the Buyer and/or any Replacement Supplier and/or Replacement Sub-Contractor from and against all Losses suffered or incurred by it or them which arise from claims by Fair Deal Employees of the Supplier and/or of any Sub-Contractor or by any trade unions, elected employee representatives or staff associations in respect of all or any such Fair Deal Employees which Losses:

4.2.1 relate to pension rights in respect of periods of employment on and after the Relevant Transfer Date until the date of termination or expiry of this Contract; or

4.2.2 arise out of the failure of the Supplier and/or any relevant Sub-Contractor to comply with the provisions of this Part D before the date of termination or expiry of this Contract.

- 4.3 The indemnities in this Part D and its Annexes:

4.3.1 shall survive termination of this Contract; and

4.3.2 shall not be affected by the caps on liability contained in Clause 19 (Limitation of Liability).

5. WHAT HAPPENS IF THERE IS A DISPUTE

- 5.1 The Dispute Resolution Procedure will not apply to this Part D and any dispute between the Buyer and/or the Supplier or between their respective actuaries or the Fund Actuary about any of the actuarial matters referred to in this Part D and its Annexes shall in the absence of agreement between the Buyer and/or the Supplier be referred to an independent Actuary:

5.1.1 who will act as an expert and not as an arbitrator;

5.1.2 whose decision will be final and binding on the Buyer and/or the Supplier; and

5.1.3 whose expenses shall be borne equally by the Buyer and/or the Supplier unless the independent Actuary shall otherwise direct.

6. OTHER PEOPLE'S RIGHTS

- 6.1 The Parties agree that Clause 52 (Third Party Rights) does not apply and that the CRTPA applies to this Part D to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation owed to him or her or it by the Supplier under this Part D, in his or her or its own right under section 1(1) of the CRTPA.

- 6.2 Further, the Supplier must ensure that the CRTPA will apply to any Sub-Contract to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation owed to them by the Sub-Contractor in his or her or its own right under section 1(1) of the CRTPA.

7. WHAT HAPPENS IF THERE IS A BREACH OF THIS PART D

- 7.1 The Supplier agrees to notify the Buyer should it breach any obligations it has under this Part D and agrees that the Buyer shall be entitled to terminate this Contract for material Default in the event that the Supplier:

- 7.1.1 commits an irremediable breach of any provision or obligation it has under this Part D; or
- 7.1.2 commits a breach of any provision or obligation it has under this Part D which, where capable of remedy, it fails to remedy within a reasonable time and in any event within twenty-eight (28) days of the date of a notice from the Buyer giving particulars of the breach and requiring the Supplier to remedy it.

8. TRANSFERRING NEW FAIR DEAL EMPLOYEES

- 8.1 Save on expiry or termination of this Contract, if the employment of any Fair Deal Employee transfers to another employer (by way of a transfer under the Employment Regulations) the Supplier shall and shall procure that any relevant Sub-Contractor shall:
 - 8.1.1 consult with and inform those Fair Deal Employees of the pension provisions relating to that transfer; and
 - 8.1.2 procure that the employer to which the Fair Deal Employees are transferred (the **"New Employer"**) complies with the provisions of this Part D and its Annexes provided that references to the "Supplier" will become references to the New Employer, references to "Relevant Transfer Date" will become references to the date of the transfer to the New Employer and references to "Fair Deal Employees" will become references to the Fair Deal Employees so transferred to the New Employer.

9. WHAT HAPPENS TO PENSIONS IF THIS CONTRACT ENDS

The provisions of Paragraphs 4.9 and 4.10 of Annex D3: LGPS and of Part E: Staff Transfer On Exit (Mandatory) apply in relation to pension issues on expiry or termination of this Contract.

10. BROADLY COMPARABLE PENSION SCHEMES

- 10.1 If either:
 - 10.1.1 the terms of any of Paragraphs 2.2 of Annex D1: CSPS, 5.2 of Annex D2: NHSPS and/or 4 of Annex D3: LGPS apply; and/or
 - 10.1.2 the Buyer agrees, having considered the exceptional cases provided for in New Fair Deal, (such agreement not to be unreasonably withheld) that the Supplier (and/or its Sub-contractors, if any) need not continue to provide the Fair Deal Employees, who continue to qualify for Fair Deal Protection, with access to the appropriate Statutory Scheme;

the Supplier must (and must, where relevant, procure that each of its Sub-Contractors will) ensure that, with effect from the Relevant Transfer Date or if later cessation of participation in the Statutory Scheme until the day before the Service Transfer Date, the relevant Fair Deal Employees will be eligible for membership of a pension scheme under which the benefits are Broadly Comparable to those provided under the relevant Statutory Scheme, and then on such terms as may be decided by the Buyer.
- 10.2 Where the Supplier has put in place a Broadly Comparable pension scheme pursuant to the provisions of Paragraph 10.1, the Supplier shall (and shall procure that any of its Sub-Contractors shall):

- 10.2.1 supply to the Buyer written details of its (or its Sub-Contractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability covering all relevant Fair Deal Employees, as soon as it is able to do so and in any event no later than twenty-eight (28) days before the Relevant Transfer Date;
- 10.2.2 fully fund any such Broadly Comparable pension scheme in accordance with the funding requirements set by that Broadly Comparable pension scheme's Actuary or by the Government Actuary's Department for the period ending on the Service Transfer Date;
- 10.2.3 instruct any such Broadly Comparable pension scheme's Actuary to, and to provide all such co-operation and assistance in respect of any such Broadly Comparable pension scheme as the Replacement Supplier and/or CCS and/or NHS Pension and/or CSPA and/or the relevant Administering Authority and/or the Buyer may reasonably require, to enable the Replacement Supplier to participate in the appropriate Statutory Scheme in respect of any Fair Deal Employee that remain eligible for New Fair Deal protection following a Service Transfer;
- 10.2.4 provide a replacement Broadly Comparable pension scheme with immediate effect for those Fair Deal Employees who are still employed by the Supplier and/or relevant Sub-Contractor and are still eligible for New Fair Deal protection in the event that the Supplier and/or Sub-Contractor's Broadly Comparable pension scheme is terminated;
- 10.2.5 allow and make all necessary arrangements to effect, in respect of any Fair Deal Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the relevant Statutory Scheme and as is relevant on a year for year day for day service basis and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal. For the avoidance of doubt, should the amount offered by the Broadly Comparable pension scheme be less than the amount required by the appropriate Statutory Scheme to fund day for day service ("**Shortfall**"), the Supplier or the Sub-Contractor (as agreed between them) must pay the Statutory Scheme, as required, provided that in the absence of any agreement between the Supplier and any Sub-Contractor, the Shortfall shall be paid by the Supplier; and
- 10.2.6 indemnify the Buyer and/or NHS Pension and/or CSPA and/or the relevant Administering Authority and/or on demand for any failure to pay the Shortfall as required under Paragraph 10.2.5 above.

ANNEX D1 – CIVIL SERVICE PENSIONS SCHEMES (CSPS)

1. DEFINITIONS

1.1 In this Annex D1: CSPS to Part D: Pensions, the following definition shall apply:

“CSPS Admission Agreement”	an admission agreement in the form available on the Civil Service Pensions website immediately prior to the Relevant Transfer Date to be entered into for the CSPS in respect of the Services;
“CSPS Eligible Employee”	any Fair Deal Employee who at the relevant time is an eligible employee as defined in the CSPS Admission Agreement; and
“CSPS”	the Principal Civil Service Pension Scheme available to Civil Servants and employees of bodies under Schedule 1 of the Superannuation Act 1972 (and eligible employees of other bodies admitted to participate under a determination under section 25 of the Public Service Pensions Act 2013), as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Arrangements and (ii) Death Benefits Arrangements; the Civil Service Additional Voluntary Contribution Scheme.

2. ACCESS TO EQUIVALENT PENSION SCHEMES AFTER TRANSFER

- 2.1 The Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the CSPS that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date or became eligible to join on the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the CSPS for service from (and including) the Relevant Transfer Date.
- 2.2 The Supplier undertakes that should it cease to participate in the CSPS for whatever reason at a time when it has CSPS Eligible Employees, that it will, at no extra cost to the Buyer, provide to any Fair Deal Employee who immediately prior to such cessation of participation remained a CSPS Eligible Employee with access to a pension scheme which is Broadly Comparable to the CSPS on the date the CSPS Eligible Employees ceased to participate in the CSPS.

ANNEX D2 – NHS PENSION SCHEMES – NOT USED

1. DEFINITIONS

1.1 In this Annex D2: NHSPS to Part D: Pensions, the following definitions shall apply:

“Direction Letter” an NHS Pensions Direction or Determination (as appropriate) issued by the Secretary of State in exercise of the powers conferred by section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 or by section 25 of the Public Service Pensions Act 2013 (as appropriate) and issued to the Supplier or a Sub-Contractor of the Supplier (as appropriate) relating to the terms of participation of the Supplier or Sub-Contractor in the NHSPS in respect of the NHSPS Eligible Employees;

“NHSPS Eligible Employees” each of the Fair Deal Employees who at a Relevant Transfer Date was a member of, or was entitled to become a member of, or but for their compulsory transfer of employment would have been entitled to be or become a member of, the NHSPS as a result of either:

- (a) their employment with the Buyer, an NHS Body or other employer which participates automatically in the NHSPS; or
- (b) their employment with a Former Supplier who provides access to the NHSPS pursuant to an NHS Pensions Direction or Determination (as appropriate) issued by the Secretary of State in exercise of the powers conferred by section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 or by section 25 of the Public Service Pensions Act 2013 (as appropriate) in respect of their employment with that Former Supplier (on the basis that they are entitled to protection under New Fair Deal and were permitted to re-join the NHSPS, having been formerly in employment with the Buyer, an NHS Body or other employer who participated automatically in the NHSPS in connection with the Services, prior to being employed by the Former Supplier),

and, in each case, being continuously engaged for more than fifty per cent (50%) of their employed time in the delivery of services (the same as or similar to the Services).

For the avoidance of doubt, an individual who is in or entitled to become a member of the NHSPS as a result of being engaged in the Services and being covered by an “open” Direction Letter or other NHSPS “access” facility but who has never been employed directly by an NHS Body (or other body which participates automatically in the NHSPS) is not an NHSPS Eligible Employee;

“NHS Body”	has the meaning given to it in section 275 of the National Health Service Act 2006 as amended by section 138(2)(c) of Schedule 4 to the Health and Social Care Act 2012;
“NHS Pensions”	NHS Pensions as the administrators of the NHSPS or such other body as may from time to time be responsible for relevant administrative functions of the NHSPS;
“NHSPS”	the National Health Service Pension Scheme for England and Wales, established pursuant to the Superannuation Act 1972 and governed by subsequent regulations under that Act including the NHS Pension Scheme Regulations;
“NHS Pension Scheme Arrears”	any failure on the part of the Supplier or its Sub-Contractors (if any) to pay employer’s contributions or deduct and pay across employee’s contributions to the NHSPS or meet any other financial obligations under the NHSPS or any Direction Letter in respect of the NHSPS Eligible Employees;
“NHS Pension Scheme Regulations”	as appropriate, any or all of the National Health Service Pension Scheme Regulations 1995 (SI 1995/300), the National Health Service Pension Scheme Regulations 2008 (SI 2008/653), the National Health Service Pension Scheme Regulations 2015 (2015/94) and any subsequent regulations made in respect of the NHSPS, each as amended from time to time;
“NHS Premature Retirement Rights”	rights to which any Fair Deal Employee (had they remained in the employment of the Buyer, an NHS Body or other employer which participates automatically in the NHSPS) would have been or are entitled under the NHS Pension Scheme Regulations, the NHS Compensation for Premature Retirement Regulations 2002 (SI 2002/1311), the NHS (Injury Benefits) Regulations 1995 (SI 1995/866) and section 45 of the General Whitley Council conditions of service, or any other legislative or contractual provision which replaces, amends, extends or consolidates the same from time to time;
“Pension Benefits”	any benefits payable in respect of an individual (including but not limited to pensions related allowances and lump sums) relating to old age, invalidity or survivor’s benefits provided under an occupational pension scheme; and
“Retirement Benefits Scheme”	a pension scheme registered under Chapter 2 of Part 4 of the Finance Act 2004.

2. MEMBERSHIP OF THE NHS PENSION SCHEME

- 2.1 In accordance with New Fair Deal, the Supplier and/or any of its Sub-Contractors to which the employment of any NHSPS Eligible Employee compulsorily transfers as a result of the award of this Contract, if not an NHS Body or other employer which participates automatically in the

NHSPS, must by or as soon as reasonably practicable after the Relevant Transfer Date, each secure a Direction Letter to enable the NHSPS Eligible Employees to retain either continuous active membership of or eligibility for, the NHSPS for so long as they remain employed in connection with the delivery of the Services under this Contract, and have a right to membership or eligibility of that scheme under the terms of the Direction Letter.

- 2.2 The Supplier must supply to the Buyer by or as soon as reasonably practicable after the Relevant Transfer Date a complete copy of each Direction Letter.
- 2.3 The Supplier must ensure (and procure that each of its Sub-Contracts (if any) ensures) that all of its NHSPS Eligible Employees have a contractual right to continuous active membership of or eligibility for the NHSPS for so long as they have a right to membership or eligibility of that scheme under the terms of the Direction Letter.
- 2.4 The Supplier will (and will procure that its Sub-Contractors (if any) will) comply with the terms of the Direction Letter, the NHS Pension Scheme Regulations (including any terms which change as a result of changes in Law) and any relevant policy issued by the Department of Health in respect of the NHSPS Eligible Employees for so long as it remains bound by the terms of any such Direction Letter.
- 2.5 Where any employee omitted from the Direction Letter supplied in accordance with this Paragraph 2 of this Annex are subsequently found to be an NHSPS Eligible Employee, the Supplier will (and will procure that its Sub-Contractors (if any) will) treat that person as if they had been an NHSPS Eligible Employee from the Relevant Transfer Date so that their Pension Benefits and NHS Premature Retirement Rights are not adversely affected.
- 2.6 The Supplier will (and will procure that its Sub-Contractors (if any) will) as soon as reasonably practicable and at its (or its Sub-Contractor's) cost, obtain any guarantee, bond or indemnity that may from time to time be required by the Secretary of State for Health.

3. ACCESS TO NHS PENSION SCHEMES AFTER TRANSFER

The Supplier will procure that with effect from the Relevant Transfer Date the NHSPS Eligible Employees shall be either eligible for or remain in continuous active membership of (as the case may be) the NHSPS for employment from (and including) the Relevant Transfer Date.

4. CONTINUATION OF EARLY RETIREMENT RIGHTS AFTER TRANSFER

From the Relevant Transfer Date until the Service Transfer Date, the Supplier must provide (and/or must ensure that its Sub-Contractors (if any) provide) NHS Premature Retirement Rights in respect of the NHSPS Eligible Employees that are identical to the benefits they would have received had they remained employees of the Buyer, an NHS Body or other employer which participates automatically in the NHSPS.

5. WHAT THE BUYER DO IF THE SUPPLIER BREACHES ITS PENSION OBLIGATIONS

- 5.1 The Supplier agrees that the Buyer is entitled to make arrangements with NHS Pensions for the Buyer to be notified if the Supplier (or its Sub-Contractor) breaches the terms of its Direction Letter. Notwithstanding the provisions of the foregoing, the Supplier shall notify the Buyer in the event that it (or its Sub-Contractor) breaches the terms of its Direction Letter.
- 5.2 If the Buyer is entitled to terminate this Contract or the Supplier (or its Sub-Contractor, if relevant) ceases to participate in the NHSPS for whatever other reason, the Buyer may in its

sole discretion, and instead of exercising its right to terminate this Contract where relevant, permit the Supplier (or any such Sub-Contractor, as appropriate) to offer Broadly Comparable Pension Benefits, on such terms as decided by the Buyer. The provisions of Paragraph 10 (Broadly Comparable Pension Scheme) of Part D: Pensions shall apply in relation to any Broadly Comparable pension scheme established by the Supplier or its Sub-Contractors.

- 5.3 In addition to the Buyer's right to terminate this Contract, if the Buyer is notified by NHS Pensions of any NHS Pension Scheme Arrears, the Buyer will be entitled to deduct all or part of those arrears from any amount due to be paid under this Contract or otherwise.

6. COMPENSATION WHEN PENSION SCHEME ACCESS CAN'T BE PROVIDED

- 6.1 If the Supplier (or its Sub-Contractor, if relevant) is unable to provide the NHSPS Eligible Employees with either:

6.1.1 membership of the NHSPS (having used its best endeavours to secure a Direction Letter); or

6.1.2 access to a Broadly Comparable pension scheme,

the Buyer may in its sole discretion permit the Supplier (or any of its Sub-Contractors) to compensate the NHSPS Eligible Employees in a manner that is Broadly Comparable or equivalent in cash terms, the Supplier (or Sub-Contractor as relevant) having consulted with a view to reaching agreement with any recognised trade union or, in the absence of such body, the NHSPS Eligible Employees. The Supplier must meet (or must procure that the relevant Sub-Contractor meets) the costs of the Buyer determining whether the level of compensation offered is reasonable in the circumstances.

- 6.2 This flexibility for the Buyer to allow compensation in place of Pension Benefits is in addition to and not instead of the Buyer's right to terminate this Contract.

7. INDEMNITIES THAT A SUPPLIER MUST GIVE

- 7.1 The Supplier must indemnify and keep indemnified the Buyer and any Replacement Supplier against all Losses arising out of any claim by any NHSPS Eligible Employee that the provision of (or failure to provide) Pension Benefits and NHS Premature Retirement Rights from the Relevant Transfer Date, or the level of such benefit provided, constitutes a breach of his or her employment rights.

- 7.2 The Supplier must indemnify and keep indemnified the Buyer, NHS Pensions and any Replacement Supplier against all Losses arising out of the Supplier (or its Sub-Contractor) allowing anyone who is not an NHSPS Eligible Employee to join or claim membership of the NHSPS at any time during the Contract Period.

8. SUB-CONTRACTORS

- 8.1 If the Supplier enters into a Sub-Contract for the delivery of all or part or any component of the Services which will involve the transfer of employment of any NHSPS Eligible Employee it will impose obligations on its Sub-Contractor in identical terms as those imposed on the Supplier in relation to Pension Benefits and NHS Premature Retirement Rights by this Annex, including requiring that:

- 8.1.1 if the Supplier has secured a Direction Letter, the Sub-Contractor also secures a Direction Letter in respect of the NHSPS Eligible Employees for their future service with the Sub-Contractor as a condition of being awarded the Sub-Contract and the Supplier shall be responsible for ensuring that the Buyer receives a complete copy of each such Sub-Contractor direction letter as soon as reasonably practicable; or
 - 8.1.2 if, in accordance with Paragraph 4 of this Annex, the Supplier has offered the NHSPS Eligible Employees access to a pension scheme under which the benefits are Broadly Comparable to those provided under the NHSPS, the Sub-Contractor either secures a Direction Letter in respect of the NHSPS Eligible Employees or (with the prior consent of the Buyer) provides NHSPS Eligible Employees with access to a scheme with Pension Benefits which are Broadly Comparable to those provided under the NHSPS whereupon the provisions of Paragraph 10 (Broadly Comparable Pension Scheme) of Part D: Pensions shall apply.
- 8.2 The Supplier shall procure that each Sub-Contractor provides indemnities to the Buyer, NHS Pensions and/or any Replacement Supplier and/or Replacement Sub-Contractor that are identical to the indemnities set out in Paragraph 7 of this Annex D2. Where a Sub-Contractor fails to satisfy any claim made under such one or more indemnities, the Supplier will be liable for satisfying any such claim as if it had provided the indemnity itself.

ANNEX D3 – LOCAL GOVERNMENT PENSION SCHEMES (LGPS)

1. DEFINITIONS

1.1 In this Annex D3: LGPS to Part D: Pensions, the following definitions shall apply:

“Administering Authority”	in relation to the Fund, the relevant Administering Authority of that Fund for the purposes of the Local Government Pension Scheme Regulations 2013;
“Former Supplier Broadly Comparable Scheme”	the DXC UK Pension Scheme - 1994 Section;
“Fund Actuary”	the actuary to a Fund appointed by the Administering Authority of that Fund;
“Fund”	a pension fund within the LGPS, the details of this are set out in the Order Form;
“LGPS”	the Local Government Pension Scheme as governed by the LGPS Regulations, and any other regulations (in each case as amended from time to time) which are from time to time applicable to the Local Government Pension Scheme;
“LGPS Admission Agreement”	an admission agreement within the meaning in Schedule 1 of the Local Government Pension Scheme Regulations 2013;
“LGPS Admission Body”	an admission body (within the meaning of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013);
“LGPS Eligible Employees”	any Fair Deal Employee who at the relevant time is an eligible employee as defined in the LGPS Admission Agreement or otherwise any Fair Deal Employees who immediately before the Relevant Transfer Date was a member of, or was entitled to become a member of, or but for their compulsory transfer of employment would have been entitled to be or become a member of, the LGPS or of a scheme Broadly Comparable to the LGPS;
“LGPS Regulations”	the Local Government Pension Scheme Regulations 2013 (SI 2013/2356) and The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, and any other regulations (in each case as amended from time to time) which are from time to time applicable to the LGPS;

- “Onward Transfer Option”** an option given to each LGPS Eligible Employee who has accrued rights in the Broadly Comparable pension scheme put in place by the Supplier to transfer those rights to a Replacement Supplier’s (or its sub contractor’s) Broadly Comparable scheme to secure year-for-year day-for-day service credits in the relevant scheme (or actuarial equivalent, where there are benefit differences between the two schemes); and
- “Transfer Option”** an option given to each LGPS Eligible Employee with accrued rights in the Former Supplier Broadly Comparable Scheme as at the Relevant Transfer Date, to transfer those rights to the Supplier’s Broadly Comparable pension scheme to secure year-for-year day-for-day service credits in the relevant scheme (or actuarial equivalent, where there are benefit differences between the two schemes).

2. SUPPLIER MUST BECOME A LGPS ADMISSION BODY

- 2.1 Subject to Paragraph 4 below, where the Supplier employs any LGPS Eligible Employees from a Relevant Transfer Date, the Supplier shall become an LGPS Admission Body and shall on or before the Relevant Transfer Date enter into a LGPS Admission Agreement with the Administering Authority which will have effect from and including the Relevant Transfer Date.
- 2.2 The LGPS Admission Agreement must ensure that all LGPS Eligible Employees covered by that Agreement who were active LGPS members immediately before the Relevant Transfer Date are admitted to the LGPS with effect on and from the Relevant Transfer Date. Any LGPS Eligible Employees who were eligible to join the LGPS but were not active LGPS members immediately before the Relevant Transfer Date must retain the ability to join the LGPS after the Relevant Transfer Date if they wish to do so.
- 2.3 The Supplier shall provide any indemnity, bond or guarantee required by an Administering Authority in relation to an LGPS Admission Agreement.
- 2.4 Subject to Paragraph 4 below, the Supplier shall not automatically enrol or re-enrol for the purposes of the Pensions Act 2008 any LGPS Eligible Employees in any pension scheme other than the LGPS.

3. RIGHT OF SET-OFF

The Buyer shall have a right to set off against any payments due to the Supplier under this Contract an amount equal to any overdue employer and employee contributions and other payments (and interest payable under the LGPS Regulations) due from the Supplier (or from any relevant Sub-Contractor) under an LGPS Admission Agreement or due to a Broadly Comparable Scheme and shall pay such amount to the relevant Fund or Broadly Comparable Scheme.

4. LGPS BROADLY COMPARABLE SCHEME

Obligation to Offer a Broadly Comparable Scheme

- 4.1 If the Supplier employs any LGPS Eligible Employees from a Relevant Transfer Date and either:

- 4.1.1 the Buyer gives written notice to the Supplier that as at the Relevant Transfer Date it must offer the LGPS Eligible Employees membership of a pension scheme which is Broadly Comparable to the LGPS due to exceptional circumstances as provided for in New Fair Deal; or
 - 4.1.2 at any time the Supplier either cannot or does not participate in the LGPS, the Supplier shall offer such LGPS Eligible Employee membership of a pension scheme Broadly Comparable to the LGPS.
- 4.2 Such Broadly Comparable pension scheme must:
 - 4.2.1 be registered within the meaning of the Finance Act 2004;
 - 4.2.2 be certified as providing benefits which are Broadly Comparable to those provided by the LGPS on the Relevant Transfer Date; and
 - 4.2.3 contain a provision enabling it to accept a bulk transfer payment from the Former Supplier Broadly Comparable Scheme so as to enable it to implement the Transfer Option when exercised by any LGPS Eligible Employees in accordance with Paragraph 4.8 below.
- 4.3 All LGPS Eligible Employees must be admitted to the Broadly Comparable scheme with effect on and from the Relevant Transfer Date. In the event of any delay in establishing or nominating the Broadly Comparable scheme the LGPS Eligible Employees must be provided with benefits which are backdated to the Relevant Transfer Date.
- 4.4 The Broadly Comparable scheme shall provide benefits in respect of the LGPS Eligible Employees' periods of service on and after the Relevant Transfer Date on the basis as originally certified and the accrued and future benefits of the LGPS Eligible Employees under the Broadly Comparable scheme shall not be changed without the written agreement of the Supplier.
- 4.5 In the event of any delay in establishing or nominating the Broadly Comparable scheme on and from the Relevant Transfer Date, the Supplier shall ensure that death in service benefits are provided for and in respect of the LGPS Eligible Employees which are Broadly Comparable to those that would otherwise have been provided by the LGPS.
- 4.6 If the Broadly Comparable scheme is terminated a replacement pension scheme shall be provided with immediate effect for those LGPS Eligible Employees who are still employed by the Supplier. The replacement scheme must comply with all of the provisions of this Paragraph 4.
- 4.7 The Supplier shall be fully responsible for all costs, expenses, contributions, payments and other amounts relating to the setting up, certification of, ongoing participation in and/or withdrawal and exit from the Broadly Comparable scheme, including for the avoidance of doubt any debts arising under section 75 or section 75A of the Pensions Act 1995.
- 4.8 As soon as reasonably practicable after the Relevant Transfer Date, the Supplier must provide the Transfer Option to the LGPS Eligible Employees.

Pensions Bulk Transfer on Exit

- 4.9 On the expiry or termination of this Contract or any Sub-Contract the Buyer may require the Replacement Supplier to offer an Onward Transfer Option to individuals who remain LGPS Eligible Employees at the date that the Onward Transfer Option is offered. If so, then the

Supplier shall procure that the trustees of the Broadly Comparable pension scheme put in place by the Supplier shall offer bulk transfer terms in respect of the relevant LGPS Eligible Employees' benefits in that Broadly Comparable Scheme which are no less favourable (in the opinion of the Government Actuary's Department or any other actuary nominated by the Buyer, determined at the expiry of this Contract, in accordance with relevant guidance produced by the Government Actuary's Department) than the terms underlying the total bulk transfer amount received by the trustees of the Supplier's Broadly Comparable scheme in connection with the Transfer Option.

- 4.10 If the bulk transfer payment paid by the trustees of the Broadly Comparable pension scheme put in place by the Supplier is less (in the opinion of the Government Actuary's Department or any other actuary nominated by the Buyer in accordance with relevant guidance produced by the Government Actuary's Department) than the bulk transfer payment which would have been paid had Paragraph 4.9 above been complied with, the Supplier shall pay to the Buyer, any Replacement Supplier or any Replacement Sub-Contractor (as appropriate) (or as such person shall direct) the amount of the difference.

5. DISCRETIONARY BENEFITS

Where the Supplier is an LGPS Admission Body, the Supplier shall award benefits to the LGPS Eligible Employees under the LGPS in circumstances where the LGPS Eligible Employees would have received such benefits had they still been employed by their previous employer. Where such benefits are of a discretionary nature, they shall be awarded on the basis of the previous employer's written policy in relation to such benefits at the time of the Relevant Transfer Date.

PART E – STAFF TRANSFER ON EXIT

1. OBLIGATIONS BEFORE A STAFF TRANSFER

1.1 The Supplier agrees that within twenty (20) Working Days of the earliest of:

- 1.1.1 receipt of a notification from the Buyer of a Service Transfer or intended Service Transfer;
- 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Contract;
- 1.1.3 the date which is twelve (12) months before the end of the Contract Period; and
- 1.1.4 receipt of a written request of the Buyer at any time (provided that the Buyer shall only be entitled to make one such request in any six (6) month period),

it shall provide in a suitably anonymised format so as to comply with the Data Protection Legislation, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information in relation to the Supplier's Provisional Supplier Personnel List and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Buyer.

1.2 At least twenty (20) Working Days prior to the Service Transfer Date, the Supplier shall provide to the Buyer or at the direction of the Buyer to any Replacement Supplier and/or any Replacement Sub-Contractor (i) the Supplier's Final Supplier Personnel List, which shall identify the basis upon which they are Transferring Supplier Employees; and (ii) the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).

1.3 The Buyer shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-Contractor.

1.4 The Supplier warrants, for the benefit of the Buyer, any Replacement Supplier, and any Replacement Sub-Contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 of this Part E shall be true and accurate in all material respects at the time of providing the information.

1.5 From the date of the earliest event referred to in Paragraphs 1.1.1, 1.1.2 and 1.1.3 of this Part E, the Supplier agrees that it shall not, and agrees to procure that any relevant Sub-Contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall, unless otherwise instructed by the Buyer (acting reasonably):

- 1.5.1 not replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;

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- 1.5.2 not make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Personnel (including pensions and any payments connected with the termination of employment);
- 1.5.3 not increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Personnel save for fulfilling assignments and projects previously scheduled and agreed;
- 1.5.4 not introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;
- 1.5.5 not increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services);
or
- 1.5.6 not terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process;
- 1.5.7 promptly notify, and procure that any relevant Sub-Contractor shall promptly notify, the Buyer or, at the direction of the Buyer, any Replacement Supplier and any Replacement Sub-Contractor of any notice to terminate employment given by the Supplier or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect;
- 1.5.8 not for a period of twelve (12) months from the Service Transfer Date re-employ or re-engage or entice any employees, suppliers or Sub-Contractors whose employment or engagement is transferred to the Buyer and/or the Replacement Supplier (unless otherwise instructed by the Buyer (acting reasonably));
- 1.5.9 not to adversely affect pension rights accrued by all and any Fair Deal Employees in the period ending on the Service Transfer Date;
- 1.5.10 fully fund any Broadly Comparable pension schemes set up by the Supplier;
- 1.5.11 maintain such documents and information as will be reasonably required to manage the pension aspects of any onward transfer of any person engaged or employed by the Supplier or any Sub-Contractor in the provision of the Services on the expiry or termination of this Contract (including without limitation identification of the Fair Deal Employees);
- 1.5.12 promptly provide to the Buyer such documents and information mentioned in Paragraph 3.1.1 of Part D: Pensions which the Buyer may reasonably request in advance of the expiry or termination of this Contract; and
- 1.5.13 fully co-operate (and procure that the trustees of any Broadly Comparable pension scheme shall fully co-operate) with the reasonable requests of the Supplier relating to any administrative tasks necessary to deal with the pension aspects of any onward transfer of any person engaged or employed by the Supplier or any Sub-Contractor in the provision of the Services on the expiry or termination of this Contract.

- 1.6 On or around each anniversary of the Commencement Date and up to four times during the last twelve (12) months of the Contract Period, the Buyer may make written requests to the Supplier for information relating to the manner in which the Services are organised. Within twenty (20) Working Days of receipt of a written request the Supplier shall provide such information as the Buyer may reasonably require which shall include:
 - 1.6.1 the numbers of employees engaged in providing the Services;
 - 1.6.2 the percentage of time spent by each employee engaged in providing the Services;
 - 1.6.3 the extent to which each employee qualifies for membership of any of the Fair Deal Schemes (as defined in Part D: Pensions); and
 - 1.6.4 a description of the nature of the work undertaken by each employee by location.
- 1.7 The Supplier shall provide all reasonable cooperation and assistance to the Buyer, any Replacement Supplier and/or any Replacement Sub-Contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within five (5) Working Days following the Service Transfer Date, the Supplier shall provide to the Buyer or, at the direction of the Buyer, to any Replacement Supplier and/or any Replacement Sub-Contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:
 - 1.7.1 the most recent month's copy pay slip data;
 - 1.7.2 details of cumulative pay for tax and pension purposes;
 - 1.7.3 details of cumulative tax paid;
 - 1.7.4 updated tax code as at the Service Transfer Date if the code has changed since it was previously provided;
 - 1.7.5 updated details of any voluntary deductions from pay as at the Service Transfer Date if changes have occurred since the details were previously provided;
 - 1.7.6 a copy of any personnel file and/or any other records regarding the service of the Transferring Supplier Employee;
 - 1.7.7 all information required to meet the minimum recording keeping requirements under the Working Time Regulations 1998 and the National Minimum Wage Regulations 1998; and
 - 1.7.8 updated bank/building society or other account details for payroll purposes.
- 1.8 From the date of the earliest event referred to in Paragraph 1.1.1, 1.1.2 and 1.1.3 of this Part E, the Supplier agrees that following within twenty (20) Working Days of a request from the Buyer it shall, and shall procure that each Sub-Contractor shall, use reasonable endeavours to comply with any reasonable request to align and assign Supplier Personnel to any future

delivery model proposed by the Buyer for Replacement Services within thirty (30) Working Days or such longer timescale as may be agreed.

- 1.9 Any changes necessary to this Contract as a result of alignment referred to in Paragraph 1.8 above shall be agreed in accordance with the Change Control Procedure.

2. EMPLOYMENT REGULATIONS EXIT PROVISIONS

- 2.1 The Buyer and Supplier acknowledge that subsequent to the commencement of the Services. The identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-Contractor. A change in the identity of the supplier of the Services (or part of the Services), howsoever arising, may constitute a Relevant Transfer to which the Employment Regulations will apply. The Buyer and the Supplier agree that where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10 of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-Contractor (as the case may be) and each such Transferring Supplier Employee.
- 2.2 The Supplier shall, and shall procure that each Sub-Contractor shall, comply with all its obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (but excluding) the Service Transfer Date, and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of the Transferring Supplier Employees arising in respect of the period up to (but excluding) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, pay for accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Fair Deal Schemes (as defined in Part D: Pensions)).
- 2.3 Subject to Paragraph 2.4, the Supplier shall indemnify the Buyer and/or the Replacement Supplier and/or any Replacement Sub-Contractor against any Employee Liabilities arising from or as a result of:
- 2.3.1 any act or omission of the Supplier or any Sub-Contractor in respect of any Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;
 - 2.3.2 the breach or non-observance by the Supplier or any Sub-Contractor occurring before but excluding the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Supplier Employees; and/or
 - (b) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-Contractor is contractually bound to honour;
 - 2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Sub-Contractor to comply with any legal obligation to such

- trade union, body or person arising before but excluding the Service Transfer Date;
- 2.3.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- (a) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date; and
 - (b) in relation to any employee who is not identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to the Buyer and/or Replacement Supplier and/or any Replacement Sub-Contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date;
- 2.3.5 a failure of the Supplier or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (but excluding) the Service Transfer Date;
- 2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-Contractor other than a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List for whom it is alleged the Buyer and/or the Replacement Supplier and/or any Replacement Sub-Contractor may be liable by virtue of this Contract and/or the Employment Regulations; and
- 2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Sub-Contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Buyer and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.
- 2.4 The indemnity in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-Contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
- 2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her terms and conditions of employment or working conditions proposed by the Replacement Supplier and/or any Replacement Sub-Contractor to occur in the period on or after the Service Transfer Date; or

- 2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Sub-Contractor's failure, to comply with its obligations under the Employment Regulations.

2.5 Subject to Paragraphs 2.6 and 2.7, if any employee who is not identified in the Supplier's Final Transferring Supplier Employee List claims, or it is determined in relation to any employees of the Supplier, that his/her contract of employment has been transferred from the Supplier to the Replacement Supplier and/or Replacement Sub-Contractor pursuant to the Employment Regulations then:

- 2.5.1 the Buyer shall procure that the Replacement Supplier and/or Replacement Sub-Contractor will, within five (5) Working Days of becoming aware of that fact, notify the Buyer and the Supplier in writing;
- 2.5.2 the Supplier may (or may procure that a Sub-Contractor may) offer employment to such person within fifteen (15) Working Days of the notification by the Replacement Supplier and/or Replacement Sub-Contractor or take such other reasonable steps as it considered appropriate to deal with the matter provided always that such steps are in compliance with Law;
- 2.5.3 if such offer of employment is accepted, or if the situation has otherwise been resolved by the Supplier or a Sub-Contractor, the Buyer shall procure that the Replacement Supplier shall, or procure that the Replacement Sub-Contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment;
- 2.5.4 if after the period referred to in Paragraph 2.5.2 has elapsed: no such offer has been made; or such offer has been made but not accepted; or the situation has not otherwise been resolved, the Buyer shall advise the Replacement Supplier and/or Replacement Sub-Contractor as appropriate that it may within five (5) Working Days give notice to terminate the employment or alleged employment of such person;

and subject to the Replacement Supplier's and/or Replacement Sub-Contractor's compliance with Paragraphs 2.5.1 to 2.5.4, and in accordance with all applicable proper employment procedures set out in applicable Law, the Supplier will indemnify the Replacement Supplier and/or Replacement Sub-Contractor against all Employee Liabilities arising out of the termination of employment of any of the Supplier's employees referred to in Paragraph 2.5, provided that the Replacement Supplier and/or Replacement Sub-Contractor takes all reasonable steps to minimise any such Employee Liabilities.

2.6 The indemnity in Paragraph 2.5 shall not apply to:

- 2.6.1 any claim for:
 - (a) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief, or
 - (b) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case arising as a result of any alleged act or omission of the Replacement Supplier and/or Replacement Sub-Contractor, or

- 2.6.2 any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Sub-Contractor neglected to follow a fair dismissal procedure.
- 2.7 The indemnity in Paragraph 2.5 shall apply only where the notification referred to in Paragraph 2.5.2 is made by the Replacement Supplier and/or Replacement Sub-Contractor to the Supplier within six (6) months from the Service Transfer Date.
- 2.8 If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Sub-Contractor not dismissed by the Replacement Supplier and/or Replacement Sub-Contractor within the timescales set out in Paragraphs 2.5.1 – 2.5.4, such person shall be treated as a Transferring Supplier Employee.
- 2.9 The Supplier shall promptly provide the Buyer and any Replacement Supplier and/or Replacement Sub-Contractor, in writing such information as is necessary to enable the Buyer, the Replacement Supplier and/or Replacement Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Buyer shall procure that the Replacement Supplier and/or Replacement Sub-Contractor, shall promptly provide to the Supplier and each Sub-Contractor in writing such information as is necessary to enable the Supplier and each Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
- 2.10 Subject to Paragraph 2.11, the Buyer shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-Contractor and its sub-contractors against any Employee Liabilities arising from or as a result of:
- 2.10.1 any act or omission of the Replacement Supplier and/or Replacement Sub-Contractor in respect of any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;
- 2.10.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-Contractor on or after the Service Transfer Date of:
- (a) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List, and/or
- (b) any custom or practice in respect of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List which the Replacement Supplier and/or Replacement Sub-Contractor is contractually bound to honour,
- 2.10.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;
- 2.10.4 any proposal by the Replacement Supplier and/or Replacement Sub-Contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List on or after their transfer to the Replacement

Supplier or Replacement Sub-Contractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Supplier Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations or otherwise) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;

- 2.10.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-contractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List on or before the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;
 - 2.10.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and after the Service Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-Contractor, to the Replacement Supplier or Replacement Sub-Contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and after the Service Transfer Date;
 - 2.10.7 a failure of the Replacement Supplier or Replacement Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List in respect of the period from (and including) the Service Transfer Date; and
 - 2.10.8 any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations.
- 2.11 The indemnities in Paragraph 2.10 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-Contractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-Contractor (as applicable) to comply with its obligations under the Employment Regulations.