



Dated:

202X

- (1) LEICESTERSHIRE COUNTY COUNCIL
 - (2) [SCHEME EMPLOYER]
 - (3) [ADMISSION BODY]
 - (4) [GUARANTOR]
-

Bond

To accompany an Admission Agreement

[relating to services provided to [school/other employer]]

The Leicestershire County Council Pension Section
County Hall
Glenfield
Leicester
LE3 8RB

CONTENTS

Clause		Page
1	INTERPRETATION.....	3
2	CLAIMS AND PAYMENTS.....	5
	2.1 Failure to pay Scheme Liabilities.....	5
	2.2 Service of Payment Notice and payment.....	5
	2.3 Sums paid by Guarantor.....	5
	2.4 Receipt of payment.....	5
	2.5 Obligations and liabilities.....	6
	2.6 Further Payment Notice.....	6
3	BOND AMOUNT	6
4	TERMINATION AND EXTENSION	6
	4.1 Expiry Date	6
	4.2 Service of Extension Notice.....	6
	4.3 Change in status	6
5	WARRANTY OF AUTHORITY	6
6	NOTICES.....	7
7	ENTIRE AGREEMENT	7
8	AMENDMENT	7
9	MORE THAN ONE COUNTERPART	7
10	ASSIGNMENT	7
11	LAWS	8
Schedules		
1	Specimen Payment Notice	9
2	Specimen Extension Notice.....	10

THIS AGREEMENT is made on the

day of

202X

BETWEEN

- (1) **LEICESTERSHIRE COUNTY COUNCIL** of The Leicestershire County Council Pension Section, County Hall, Glenfield, Leicester, LE3 8RB (the **"Administering Authority"**);
- (2) **[[INSERT NAME]]** of [insert address] (the **"Scheme Employer"**);
- (3) **[INSERT NAME]** (company number: [insert company number]) whose registered office is at [insert address] (the **"Admission Body"**); and
- (4) **[INSERT NAME]** company number: [insert company number] whose registered office is at [insert address] (the **"Guarantor"**).

BACKGROUND

- (A) The Administering Authority is an administering authority within the meaning of the Regulations. It administers and maintains the Fund in accordance with the Regulations, and has the delegated function of making determinations under section 25(5) of the Public Service Pensions Act 2013 in relation to employees of admission bodies.
- (B) The Scheme Employer is a Scheme employer within the meaning of the Regulations.
- (C) The Admission Body is an admission body within the meaning of paragraph 1 of Part 3 of Schedule 2 to the 2013 Regulations.
- (D) The Guarantor [has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits or to effect and carry out contracts of general insurance] **or** [is an EEA firm of the kind referred to in paragraph 5(b) and 5(d) of Schedule 3 of the Financial Services and Markets Act 2000 which has permission to accept deposits or to effect and carry out contracts of general insurance] **or** [does not require permission under the Financial Services and Markets Act 2000 to accept deposits by way of business in the United Kingdom].
- (E) Subject to the provision of a bond in the form of this Agreement, the Administering Authority, the Scheme Employer and the Admission Body intend to enter into the Admission Agreement.
- (F) At the request of the Admission Body, the Guarantor has agreed to enter into this Agreement as a bond in a form acceptable to the Administering Authority and the Scheme Employer.

OPERATIVE PROVISIONS:

1. **INTERPRETATION**

This Clause sets out the definitions and rules of interpretation which apply to the Agreement.
--

1.1 The following expressions have the following meanings:

- | | |
|------------------------------|---|
| "2013 Regulations" | the Local Government Pension Scheme Regulations 2013. |
| "Admission Agreement" | the admission agreement [dated [insert date]] made between the Administering Authority[, the Scheme Employer] and the Admission Body to allow the Admission Body to be admitted to the Scheme and to participate in the Fund. |

"Bond Amount"	[insert amount in words] sterling (£[insert amount in figures]) (being the sum assessed by the Admission Body to the satisfaction of the Administering Authority [and the Scheme Employer] on actuarial advice) or such other amount as may from time to time be stated in an Extension Notice.]
"Business Day"	any day other than a Saturday or a Sunday or a public or bank holiday in England.
"Contract"	a contract dated [insert date contract was completed] between the Scheme Employer and the [Admission Body] [to provide [insert description] services].]
"Expiry Date"	[insert date] or such other date as may be stated in an Extension Notice.
"Extension Notice"	a notice substantially in the form of the notice in Schedule 2 to this Agreement (Specimen Extension Notice).
"Fund"	the Leicestershire County Council Pension Fund.
"Payment Notice"	a notice substantially in the form of the notice in Schedule 1 to this Agreement (Specimen Payment Notice).
"Regulations"	the 2013 Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
"Relevant Event"	<p>one of the following:</p> <ul style="list-style-type: none"> (a) the premature termination of the services provided by the Admission Body under the Contract by reason of the insolvency, winding up or liquidation of the Admission Body; (b) a default by the Admission Body in paying any Scheme Liabilities; or (c) the termination of the Admission Agreement; or (d) the Admission Body's failure to procure not less than 30 days before the Expiry Date the delivery to the Administering Authority [and the Scheme Employer of an Extension Notice or a Replacement Bond; or (e) the Admission Body's failure to procure within 30 days of an actuarial re-assessment of the Bond Amount made in accordance with the Admission Agreement the delivery to the Administering Authority of either an Extension Notice or a Replacement Bond covering the revised Bond Amount.
"Replacement Bond"	a bond or an indemnity in a form approved by the Administering Authority and the Scheme Employer to secure the payment of the Scheme Liabilities.

"Scheme" the Local Government Pension Scheme established and governed by the Regulations.

"Scheme Liabilities" all employer and employee contributions, payments and other sums due from the Admission Body to the Fund under the Admission Agreement or the Regulations (including for the avoidance of doubt any revised contribution(s) or exit payment due when the Admission Agreement ceases to have effect).

1.2 Expressions have the same meaning as in the Regulations except where the context otherwise requires.

1.3 This Agreement includes a heading and a box at the start of each Clause which outlines its provisions. These are included for information only.

1.4 Any reference in this Agreement to any statute or statutory provision includes any subordinate legislation made under it and is to be construed as a reference to such statute, statutory provision and/or subordinate legislation as modified, amended, extended, consolidated, re-enacted and/or replaced and in force from time to time.

1.5 Words such as "in particular", "includes" or "including" do not limit the generality of the words preceding them.

2. **CLAIMS AND PAYMENTS**

This Clause sets out the claims and payments which can be made under the Agreement.

2.1 **Failure to pay Scheme Liabilities**

Where, after a Relevant Event has occurred, the Admission Body has failed to pay any Scheme Liabilities (in whole or in part) to the Administering Authority within 20 Business Days of service on the Admission Body of a written demand from the Administering Authority, the Guarantor must pay to the Administering Authority such sum or sums (not exceeding in the aggregate the Bond Amount) as the Administering Authority claims in respect of the unpaid Scheme Liabilities.

2.2 **Service of Payment Notice and payment**

Any claim by the Administering Authority must be made by the service of a Payment Notice, which is to be accepted by the Guarantor as conclusive evidence for all purposes that the amount claimed is due to the Administering Authority. The Guarantor must pay the sum so demanded within 5 Business Days of service of the Payment Notice.

2.3 **Sums paid by Guarantor**

2.3.1 All sums paid by the Guarantor in accordance with **Clause 2.2** (Service of Payment Notice and payment) must be held and applied by the Administering Authority for the purpose of paying and discharging the Scheme Liabilities.

2.3.2 Any payment to be made by the Guarantor must be made in sterling free, clear of and without any deduction for taxes, levies, duties, charges, fees and deductions or withholdings for or on account of any set-off or counterclaim.

2.4 **Receipt of payment**

Following any payment by the Guarantor in accordance with **Clause 2.2** (Service of Payment Notice and payment), the Administering Authority must within 6 months of receipt of payment provide the Guarantor with a written account showing how the payment has been applied to the Fund. If any payment exceeds the amount required to discharge the Scheme Liabilities, the Administering Authority must refund any overpayment to the Guarantor.

2.5 **Obligations and liabilities**

The Guarantor's obligations and liabilities under this Agreement will not be reduced, discharged, impaired or affected by the giving of time or any other indulgence, forgiveness or forbearance by the Administering Authority.

2.6 **Further Payment Notice**

The service of a Payment Notice by the Administering Authority does not (subject only to the provisions of **Clause 3** (Bond Amount)) preclude the service of any further Payment Notice.

3. **BOND AMOUNT**

This Clause sets out the Guarantor's maximum liability under the Agreement.

The Guarantor's maximum aggregate liability under this Agreement will not exceed the Bond Amount.

4. **TERMINATION AND EXTENSION**

This Clause sets out when the Agreement will terminate and how it may be extended.

4.1 **Expiry Date**

4.1.1 Subject to **Clause 4.1.2** (Expiry Date), this Agreement will expire (and the obligations and liabilities of the Guarantor will cease and determine absolutely) on the Expiry Date.

4.1.2 **Clause 4.1.1** (Expiry Date) does not apply to terminate any obligation or liability of the Guarantor to make payment under this Agreement in connection with a Relevant Event which occurs on or before the Expiry Date, but in respect of which no Payment Notice has been served prior to the Expiry Date, provided that a Payment Notice is served on the Guarantor in respect of such obligation or liability within 12 months of the later of the Expiry Date and the date on which the Administering Authority receives all the information from the Admission Body necessary to calculate the Scheme Liabilities.

4.2 **Service of Extension Notice**

If the Admission Body procures the service of an Extension Notice by the Guarantor, the provisions of this Agreement will remain and continue in full force and effect, subject only to the amendment of the Expiry Date to the date set out in the Extension Notice and/or to the amendment of the level of the Bond Amount to the level set out in the Extension Notice.

4.3 **Change in status**

This Agreement will remain in operation notwithstanding any variation made in the terms of the Admission Agreement or the Regulations and notwithstanding the insolvency, winding-up or liquidation of the Admission Body (compulsory or otherwise) or it otherwise ceasing to exist or function. This Agreement and the obligations under it will not be affected by any disclaimer of the Admission Body's contracts or liabilities by a liquidator.

5. **WARRANTY OF AUTHORITY**

This Clause confirms that the Guarantor has the relevant authority, power and capacity to enter into this Agreement.

The Guarantor warrants and represents to the Administering Authority that it has all necessary authority, power and capacity to enter into and perform its obligations under this

Agreement, that all necessary actions have been taken to enter into this Agreement and those obligations properly and lawfully, and that this Agreement constitutes obligations binding on the Guarantor in accordance with its terms.

6. **NOTICES**

This Clause sets out how any written notices are to be served.

6.1 All notices under this Agreement must be in writing and must be served by being sent by first class post or delivered by hand to, or by being left at, the registered office of the Admission Body or the Guarantor or the headquarter address of the Administering Authority (as the case may be).

6.2 Any notice served in accordance with **Clause 6.1** (Notices) will be deemed to have been served:

6.2.1 if sent by first class post, at 9.00 am on the second Business Day after the date of posting; or

6.2.2 in any other case, at the time the notice is delivered to or left at the relevant address;

provided that if a notice would otherwise be deemed to be served before 9.00 am on a Business Day, it will be deemed to be served at 9.00 am on that day, and if it would otherwise be deemed to be served on a day which is not a Business Day or after 5.00 pm on a Business Day, it will be deemed to be served at 9.00 am on the immediately following Business Day.

7. **ENTIRE AGREEMENT**

This Clause provides that the Agreement sets out the only terms relating to the provision of the bond by the Guarantor.

Except where expressly provided, this Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement.

8. **AMENDMENT**

This Clause sets out how the Agreement may be amended.

The parties to this Agreement may amend this Agreement by deed (and only by deed).

9. **MORE THAN ONE COUNTERPART**

This Clause sets out how the Agreement can be executed in counterparts.

This Agreement may be executed in any number of counterparts, each of which will constitute an original, but which will together constitute one agreement. This Agreement will not be effective until each party has executed at least one counterpart. The term "counterpart" includes a facsimile or scanned copy of this Agreement.

10. **ASSIGNMENT**

This Clause sets out when the Agreement may be assigned.

10.1 Subject to **Clause 10.2** (Assignment), no party may assign the benefit or burden of the whole or any part of this Agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed).

10.2 The benefit or burden of this Agreement may be assigned by the Administering Authority to any successor to all or part of its functions as an administering authority under the Regulations as a result of local government re-organisation.

11. **LAWS**

This Clause sets out the legal framework which governs the Agreement.

11.1 This Agreement and any non-contractual obligation arising out of or in connection with it will be governed by and interpreted in accordance with the laws of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this Agreement (including in relation to any non-contractual obligations).

11.2 The parties do not intend that any term of this Agreement will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

EXECUTED as a deed and delivered on the date stated at the beginning of this Agreement.

SCHEDULE 1

Specimen Payment Notice

To: [Guarantor]

From: **Leicestershire County Council**

[DATE]

BOND REF: []

We refer to the Bond and certify that a Relevant Event has occurred in relation to the Admission Body.

The sum of [] pounds sterling (£) is properly due in respect of the Scheme Liabilities as defined in the Bond. We attach a copy of a certificate signed by our actuary stating that such sum is now due.

We demand payment of the above amount within 5 (five) Business Days of service on you of this notice.

The above amount should be paid to us by transfer to the following account:

Account Number

Sort Code

Account Name

Bank

Bank Address

Duly authorised for and on behalf of **Leicestershire County Council**

SCHEDULE 2

Specimen Extension Notice

To: **Leicestershire County Council**

From: **[Guarantor]**

[DATE]

BOND REF: []

We refer to the Bond which is due to expire on **[date]**.

We have been instructed by the Admission Body to **[renew/amend]** the Agreement.

[We now accordingly give notice that the Bond is to be treated as renewed for a further period of [number] years, so that [date] will become the Expiry Date.]

[We [also] confirm that the Bond Amount is to be amended and from the date of this Extension Notice the new level will be [[amount] pounds sterling (£)].

Except as amended by this Extension Notice the Bond will remain in full force and effect in accordance with its terms.

Duly authorised for and on behalf of **[Guarantor]**

THE COMMON SEAL of:
LEICESTERSHIRE COUNTY COUNCIL
was affixed in the presence of:

Authorised Officer

OR

EXECUTED as a deed by
LEICESTERSHIRE COUNTY COUNCIL
acting in its capacity both as Administering Authority
and Scheme Employer
by the affixing of its **COMMON SEAL**

in the presence of:

Authorised Officer

[THE COMMON SEAL of:
[SCHEME EMPLOYER]
was affixed in the presence of:

Authorised Officer]

EXECUTED as a deed by **[ADMISSION BODY]**
acting by a director

Director signature:

Name:

in the presence of:

Witness signature:

Name:

Address:

.....

OR

EXECUTED as a deed by **[ADMISSION BODY]**
acting by two directors or by a director and its
company secretary

Director signature:

Name:

**Director / secretary
signature:**

Name:

EXECUTED as a deed by **[GUARANTOR]** acting
by a director

Director signature:

Name:

in the presence of:

Witness signature:

Name:

Address:

.....

OR

EXECUTED as a deed by **[GUARANTOR]** acting by
two directors or by a director and its company
secretary

Director signature:

Name:

**Director / secretary
signature:**

Name: