

# GAD's advice helped people on TUPE transfer

Expertise from the Government Actuary's Department (GAD) helped protect the pensions of a large group of public sector workers, when they were transferred from one employer to another.

GAD provided advice to Supply Chain Co-ordination Limited (SCCL), the limited company set up by government to manage the NHS Supply Chain service. The NHS Supply Chain contract was let in 2006 to DHL (Excel Europe). At that time around 2,000 people transferred to the private sector under TUPE – the Transfer of Undertakings (Protection of Employment) regulations. These regulations protect the rights of workers being transferred but they give limited protection in respect of pensions.

## **Transferring staff**

When the DHL contract ultimately expired 13 years later in March 2019, around 550 of the original public sector staff had transferred to other private sector employers or back to the public sector. These moves were again carried out under TUPE. The staff received further protection under HM Treasury's Fair Deal policy which protects pension arrangements for public sector staff compulsorily transferred to other employers.

## **Support and advice**

GAD actuaries who specialise in staff transfers advised SCCL on various pension aspects of the re-let of the NHS Supply Chain contract, which has resulted in staff coming back to both the Civil Service pension arrangements and the NHS pension arrangements under Fair Deal. We also advised on alternative pension arrangements to meet Fair Deal requirements for staff who could not re-join the relevant public service pension scheme.

## **Bulk transfer options**

Having advised SCCL on the bulk transfer options, we are now working with other advisers to deliver them. Relevant staff will have an option to transfer their past service benefits under the DHL plan to their current pension arrangement.