

The People's Pension

Helping meet the challenge of defined contribution trust-based legacy schemes



For people, not profit

the
people's
pension

The introduction of auto-enrolment has led to an increase in the number of defined contribution (DC) trust-based legacy schemes. These legacy schemes require a great deal of time and resource to make sure they are run efficiently and still provide a viable solution for members.

A transfer of the assets to The People's Pension can help reduce the costs and administration involved in maintaining a legacy scheme. Such a transfer can take place as a result of the winding up of a DC section. Alternatively, you can transfer certain groups of members, such as deferred members, to The People's Pension.

Some key legacy scheme challenges

Trustee responsibilities and regulatory change

The trustee's role is becoming more difficult and time-consuming as a result of The Pensions Regulator's focus on increased requirements for trustee knowledge, as well as higher governance standards. Given that company-appointed trustees usually hold senior positions at the sponsoring employer, this is time spent away from running the actual business.

The Regulator has also introduced a stronger focus on the fiduciary and administrative capabilities of smaller schemes. Trustees are being challenged to assess their scheme against the Regulator's DC Code and Guidance, Key Principles and Quality Features, and to consider alternative options if they fail to meet those criteria.

The ongoing costs

The cost of the ongoing maintenance of a legacy scheme can be considerable, especially if the administration and investment are carried out by different third parties. The average cost per scheme member for third-party administration is estimated to be around £107 a year.*

Abolition of short service refunds

Currently schemes can offer a refund of contributions to those who leave the scheme with less than two years' qualifying service. This practice is banned for new joiners from October 2015, further increasing the costs of running the scheme, and closing an opportunity for decreasing the number of deferred members in legacy schemes.

Freedom and Choice for DC members

The new freedoms introduced in the March 2014 Budget require trustees to decide what level of flexibility to offer and how to communicate these options. Trustees must also tackle the challenge of ensuring that default investment strategies remain appropriate. However, it is the member who chooses how to take their benefits at retirement.

The Charge Cap

Assessing value for money and monitoring costs – including compliance with the recently introduced 0.75% charge cap on deductions from the member – will also present trustees with more challenges to address.

Members' benefits in more than one scheme

All members tend to find keeping track of different pension pots tricky. In particular, active members often prefer to have their benefits all in one place, to keep things simple. Consolidating members' benefits also addresses the problem of a member having more than one pension pot, with each suffering deductions for administration charges.



We take our responsibilities seriously, and are proud to meet the high governance standards set by The Pensions Regulator and the pensions industry.

*Capita Administration Survey 2010 – schemes under 2,000 lives

The answer

The People's Pension can be used as the default vehicle, as part of the wind-up of a legacy scheme. Trustees can also bulk transfer specific groups of member. A transfer to The People's Pension is a hassle-free answer to many of the challenges posed by old schemes. A multi award-winning scheme, The People's Pension is open to all transfers from DC trust-based arrangements, and there is no minimum or maximum size of transfer. There is no requirement for the sponsoring employer to currently be using The People's Pension for ongoing contributions and, subject to certain requirements, you can transfer-in bulk member benefits without the need for individual consent from each member.

- Deferred members can be transferred, reducing overall costs
- The DC section of hybrid schemes can be transferred, reducing the costs for that particular group and simplifying the legacy scheme
- DC AVC benefits from both DB and DC schemes can be transferred, again reducing the costs of running the legacy scheme while simplifying it.

We are a safe home for your members. Our exceptionally high standards of governance, administration and customer focus led to us becoming the first master trust to obtain a new independent regulatory standard of scheme quality. Developed by The Pensions Regulator and the Institute of Chartered Accountants of England and Wales (ICAEW), the standard ensures that a master trust excels in terms of governance and administration and is independently audited. We also hold the National Association of Pension Funds (NAPF) Pension Quality Mark (PQM) READY status, which requires us to meet or exceed best practice standards on pension scheme governance, charges and communications criteria.

Transferring to The People's Pension also offers the following advantages:

For you

- Proven expertise in dealing with complex payrolls, small pots and multiple employers
- The support of B&CE, a not-for-profit organisation with over 70 years' experience in workplace benefits
- A straight-forward transfer process
- Simple data upload, compatible with all payrolls
- No set-up or ongoing fees for employers

For your members

- Membership of a large, secure scheme, backed by the resources and experience of B&CE, a not-for-profit organisation with over 70 years' experience in workplace benefits
- Preserved entitlements to enhanced tax-free cash and protected early retirement dates allowed by HMRC
- Access to our award-winning UK-based customer service helpline
- A low ongoing Annual Management Charge (AMC) of 0.5%, equivalent to a total expense ratio and inclusive of all operating costs
- A simple concise investment choice of three lifestyle profiles and seven self-select funds
- Engaging communications and an easy-to-use website

The process

The People's Pension offers a clear, robust and hassle-free process for bulk transfers from legacy schemes.

Trust-based – the process

This is what you do

- Decide to transfer
- Choose The People's Pension
- Communicate with your members

This is what we require

- Trustees application (including signing of a Transfer Deed)
- Member data
- Transfer of assets

This is what we do

- Process the transfer
- Communicate with members, including transfer value
- Issue summary to trustees

How we work with you



We will provide you with a dedicated implementation manager to oversee the project.



We will work with you to understand your requirements and agree key transition milestones for the project.



We will work with the existing administrators to ensure member details and assets are transferred in the most efficient and cost effective manner.



We will communicate with the members and provide them with details of the transfer value that has been received and information about The People's Pension if they're not already one of our members.



We will provide you with a summary of the transfers.

For people, not profit

B&CE is a not-for-profit organisation, which operates for the benefit of its members and their dependants. Established in 1942 and founded in construction, B&CE's current offerings include a workplace pension, employee accident cover, employee life cover and employee healthcare. Today it manages assets of £2.5 billion, with 2.8 million members and provides financial benefits to over 1,000,000 active individuals on behalf of over 14,000 corporate accounts. (Information correct as of 31 March 2015.)

For over 30 years, B&CE has been providing workplace pensions to employers with transient, low to moderate earning workforces, both large and small. B&CE has been operating a form of automatic enrolment for over ten years through its stakeholder product. In November 2011, B&CE announced details of The People's Pension, as an additional product to assist employers in complying with their automatic enrolment duties.

The People's Pension is a flexible and portable workplace pension scheme designed for people, not profit and is suitable for any organisation, large or small, in any sector.

B&CE has won a number of awards, as the provider of The People's Pension, including DC Provider of Year at the UK Pensions Awards 2014, Best Master Trust Provider at the 2014 Pension and Investment Provider Awards (PIPAs), Auto-Enrolment Provider of the Year at the UK Pensions Awards 2013 and best 'DC Master Trust' at the 2013 PIPAs.



Next steps

To find out more, please get in touch with your usual contact at The People's Pension. If you are new to The People's Pension, you can

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It is the administrator for the B&CE EasyBuild Stakeholder Pension which is a personal pension scheme.

The company is also a distributor of, and an administrator for, The People's Pension Scheme and the Employee Life Cover from B&CE which are occupational pension schemes to which different law and regulation applies. Further details can be found on our website www.bandce.co.uk/legal