

# The People's Pension and The Pensions Regulator

Six principles for good workplace Defined Contribution (DC) schemes and selecting a good automatic enrolment scheme



The aim of this document is to provide further information on the award-winning The People's Pension in comparison to The Pensions Regulator's (TPR's) six principles for good workplace Defined Contribution (DC) schemes. It should be read in conjunction with our response to TPR's 'ten questions in selecting a good automatic enrolment scheme'.

## The Pensions Regulator's (TPR's) six principles

It goes without saying that all schemes should be designed and run in their members' best interests, and be capable of delivering a good outcome. In 2012, TPR published its six principles for good design and governance of workplace DC schemes. We fully support these principles, which allow for a shared understanding of what a good DC scheme should look like.

### 1. Essential characteristics:

**Schemes are designed to be durable, fair and deliver good outcomes for members.**

The People's Pension is operated by B&CE, a not-for-profit organisation. With no shareholders, any surpluses made by B&CE are used for the benefit of members.

The People's Pension Trustee Board consists solely of independent professional Trustees. This brings objectivity and a member focus that is unique in the marketplace.

### 2. Establishing Governance:

**A comprehensive governance framework is established at set-up, with clear accountabilities and responsibilities agreed and made transparent.**

The People's Pension has received the Pension Quality Mark (PQM) READY award, which enables employers to identify multi-employer schemes and master trusts that offer good governance, low charges and clear member communications. Given that all employers now have a compulsory obligation to provide a pension scheme, it is a really important initiative for employers seeking good quality pension provision for their employees. It also makes it much easier for employers to obtain the full Pension Quality Mark, enabling them to give reassurance that they have a competitive and quality pension scheme in place.

### 3. People:

**Those who are accountable for scheme decisions and activity understand their duties and are fit and proper to carry them out.**

The Trustee Board of The People's Pension is made up of a Corporate Director – PAN Governance LLP, the PAN Group – and an Independent Non-Executive Director, Alan Pickering.

The PAN Group was awarded 'Independent Trustee of the Year' at the UK Pensions Awards 2013. Alan Pickering has served as a non-executive director of The Pensions Regulator and is a past Chairman of the National Association of Pension Funds (NAPF). He has over 40 years' experience across a wide variety of pension industry areas.

B&CE Financial Services Limited is the administrator of The People's Pension and has been providing financial benefits for construction workers for over 70 years. With 30 years of pension scheme experience, and unrivalled expertise in delivering pensions for low-to-moderate earning transient workers, today it runs the largest stakeholder pension scheme in the UK with just under 500,000 policyholders.

### 4. Ongoing governance and monitoring:

**Schemes benefit from effective governance and monitoring through their full cycle.**

The Trustee Board of The People's Pension meets regularly throughout the year and obtains input from its external investment consultants.

The People's Pension is regulated by The Pensions Regulator and its administrator, B&CE Financial Services Limited, is regulated by the Financial Conduct Authority.

### 5. Administration:

**Schemes are well administered with timely, accurate and comprehensive processes and records.**

Our administration system, which was developed and built in-house, is truly flexible. We have proven expertise in dealing with complex payroll situations, small pots and multiple employers both large and small. Each employer has its own section of The People's Pension, which can accommodate as many different categories of member as required. With each category the employer is free to determine eligibility, pensionable salary and contribution rate.

### 6. Communications to members:

**Communication to members is designed and delivered to ensure members are able to make informed decisions about their retirement savings.**

The People's Pension is built on three key principles: Design Simplicity, Employer Assistance and Employee Engagement. We believe that design simplicity is essential for meeting the communication and engagement challenges of automatic enrolment. By keeping the design simple, we are able to keep employee communications simple. All literature is written in a clear and concise way with the employee in mind. The clean and uncluttered design also helps to engage with the reader and encourages them to think about their retirement.

## Selecting a good automatic enrolment scheme

In June 2012, TPR published a list of 10 questions employers can ask when selecting a pension product for automatic enrolment, or reviewing the suitability of an existing scheme. We have prepared our responses to these questions and these are available [on request](#).

Since the launch of The People's Pension in November 2011, we have quickly progressed to become one of the UK's leading auto-enrolment pension providers. B&CE, as the provider of The People's Pension, was awarded Auto-Enrolment Provider of the Year at the UK Pensions Awards 2013 and best 'DC Master Trust' at the Pension and Investment Provider Awards 2013.

Further details on the criteria which ensures a scheme is a legally qualifying scheme can be found here: [www.tpr.gov.uk/employers/does-your-existing-scheme-qualify](http://www.tpr.gov.uk/employers/does-your-existing-scheme-qualify)

### Further information

→ [www.thepeoplespension.co.uk](http://www.thepeoplespension.co.uk)

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