

Delivering good outcomes

A modern and effective solution to manage DC Governance



Aspire
Punter Southall



Why is governance important?

It's time to rethink exactly what good governance is because it's critical to the effective operation of a pension scheme.

For today's pensions a sound governance structure can mitigate risks, avoid costly litigation and enhance efficiencies. And, perhaps most importantly, it can also help ensure good outcomes for you and your employees by bringing clarity and simplicity to a topic that many people find complicated.



"It is important that members have confidence that they are saving into safe and durable products capable of delivering good outcomes."

The Pensions Regulator

The six sections of The Pension Regulator's defined contribution code*



1. Essential characteristics

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



4. Ongoing governance and monitoring

Schemes benefit from effective governance and monitoring through their full lifecycle.



2. Establishing governance

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



5. Administration

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



3. People

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



6. Communications to members

Communication to members is designed and delivered so they can make informed decisions about their retirement savings.

*Whilst these were developed predominantly for trustees, The Pensions Regulator has stated that these are also relevant for workplace personal pension schemes.

The five pillars of good governance

- 1. Value**

This is about much more than a simple cost/benefit analysis. Fundamental questions need to be asked and different scenarios explored. What outcomes are being targeted? Are they being achieved? And what are the costs and risks involved?
- 2. Risk**

From financial to regulatory, and through to reputational, a high-quality governance process can help manage and mitigate different kinds of risks.

- 3. Reward**

Pension schemes might be about the future, but they can be an attractive part of your reward package today. Benchmarking your scheme will demonstrate how it measures up, and highlight whether it's meeting your reward strategy.



- 4. Compliance**

Adhering to legal and regulatory frameworks is a minimum requirement. But good governance is about more than meeting the minimum. It's about maximising potential to ensure processes are robust and compliant.
- 5. Monitor**

Keeping a keen eye on your pension scheme means you can spot problems and opportunities faster. It keeps the focus on member outcomes, whilst protecting and supporting you.

What are the benefits to you?

A pension scheme is a key part of your reward strategy, helping to motivate and energise your people.

- Good governance helps you create a benefit that members engage with and value. It shows that you care about doing the right thing for your people.
- It enhances your wider reputation as an employer, helping you to attract the best new talent and retain existing talent.
- Good governance ensures that you can control your pension spend and maximise the return.
- It supports good member outcomes, giving your employees a route to retirement which can be planned for and managed effectively.
- A robust governance structure helps you understand and adhere to current regulations and best practice.
- A thorough governance process with an audit trail demonstrating best practice means efficiency. And it gives you more time to focus on maximising good outcomes.



“The training provided by PS Aspire was excellent and the quality of the governance reporting and presentation is exceptional.”

Lisa King
Group HR Director
Consort Medical

What are the benefits to your employees?

It can enable your people to understand how much you value them. And how you're investing in their future. Simple.


At its most basic, good governance helps members build savings. An important factor, given that employees typically contribute between 0% and 5%.

But good governance offers much more too. It can take employees on a journey, engaging and inspiring them to think about their financial future and how they can work towards it. By giving them clear, practical information, they're able to make the right decisions at the right times to achieve good outcomes. It also helps them to build trust with an employer who shows commitment to their future.



"The required level of contributions that employers and workers must jointly make into a pension will reach 8% minimum contributions."

The Pensions Regulator



0% and 5%
Employees are typically contributing between 0% and 5% into their pensions.*

9 million
An estimated 9m people will be saving into auto-enrolment workplace pension schemes by 2018.**

£15 billion
Saving in a workplace pension is estimated to increase by £15bn per year as a result of automatic-enrolment by 2019/20.**

Source: * PS Aspire 2015 survey - 'Trends in the DC pensions market'. ** DWP Sept 2015: Update of analysis on auto-enrolment.

Shifting responsibilities: the Government's view on retirement saving

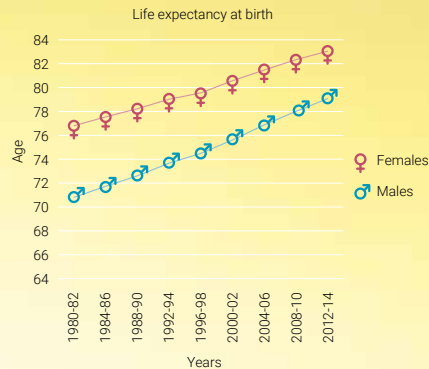
The Government is moving the responsibility for workplace pensions and savings to all workers... and that means more responsibility for scheme managers.

With an ageing population, the cost of supporting people through retirement can't be borne by the state alone.

So who's picking up the slack?

By introducing auto-enrolment, the Government's increasing the number of people making their own pension provision. And it's already seen positive results. There's been a significant increase in the number of people saving into DC pension schemes.

However, this change brings a renewed focus on how effectively employers are managing their DC pensions.



Source: Office for National Statistics.

New rules. New standards. New opportunities

With the Government moving responsibility for workplace pensions and savings, there are new rules and regulations to consider. However, we believe there are also new opportunities - ones that could help drive efficiency, effectiveness and value for money.

The Pensions Regulator is focusing on how they expect a good quality DC scheme to be managed.

The Department for Work and Pensions is focusing on the selection and monitoring of the default investment options.

That focus means the performance of DC pension schemes is firmly in the spotlight. And so demonstrating good governance is an increasingly important part of ensuring your scheme is a success.

Bringing together innovative technology, knowledgeable people and a wealth of DC experience, we're confident that we've got just the thing to help you.



£500 and £2,000

Fines of between £500 and £2,000 can be levied.*

*The Pensions Regulator, Jan 2016.



Welcome to the future

Welcome to the Punter Southall Aspire governance service, a modern and effective solution to building a sustainable and successful DC pension scheme.

Here are a few key features of the PS Aspire governance service:

Annual governance meeting – held at either your offices or ours.

Secretarial services – agenda, papers, minutes and actions.

Consultancy services – using management information in conjunction with our analysis we provide a governance toolkit that will include:

- Quality features checklist – allows you to measure your scheme against The Pensions Regulator's key criteria for DC schemes.
- A scheme-specific report detailing the ongoing performance of the plan and provider.
- Default investment report providing independent analysis of the default investment option.
- DC News – a detailed newsletter covering relevant legislative developments.



“For us, PS Aspire's governance service was a real innovation, with significant attention to detail and robust management.”

Chris Howse
Chief Financial Officer,
EMCOR Group (UK) plc

Case study



The problem

A medical instrumentation company with over 700 employees in locations across the UK had a pension scheme which had been set up 10 years previously and wanted to revisit their arrangements ahead of their auto-enrolment staging date.



The solution

Our modular governance toolkit allows employers to select the components that best suit their needs.

It is clearly presented and jargon free. It provides the oversight and risk management needed to ensure that pension schemes deliver the right outcomes for employers and their staff.



The issues

With auto-enrolment looming, the company expected that pension scheme membership would increase significantly.

They wanted to ensure they could undertake the scheme governance process confidently.

PS Aspire was appointed to assist with auto-enrolment and to provide pension scheme governance services.



How it helped

We identified some deficiencies leading to a full review of the provider. A decision to switch the scheme onto a modern administration system followed.

The company was better able to manage regulatory, reputational and financial risks, and satisfy best practice guidance for scheme governance.

Who we are

We are Punter Southall Aspire. And we're part of the Punter Southall Group, which is proudly independent and entirely employee-owned.

We're a major new workplace pensions and savings business that brings together governance, investment and communications expertise within a technology led business.

Through our regional UK offices, we work with over 800 employers, designing and managing solutions that meet their unique needs.

About the Punter Southall Group

The Punter Southall Group was founded in 1988 by Jonathan Punter and Stuart Southall.

Across the Group, and its associated companies, we provide actuarial advice, pensions consultancy, administration, risk and investment services for pension scheme trustees, employers, private clients, Lloyd's insurers and institutions.



1,200

pension schemes and sponsoring employers receive our advice.

£10bn

of assets under advice.

460,000

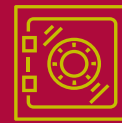
scheme members.

1000

staff across the UK.

How we help

We bring together different skills and experience, tailoring them to the needs of you, your scheme and your employees.



Investment

Our investment research division analyses and rates over 18,000 DC investment funds. The insight we have enables us to support your investment objectives.

We don't just help you choose your investments, we also continuously monitor them to ensure they're on track to deliver.



Employee communications

Our online platform educates and inspires employees across a range of financial topics. It helps them understand the importance of saving for their long-term future.

And, using a combination of technology, social media, magazines, brochures and face-to-face training, we can work with you to develop a tailored communication strategy.



AVC Master Trust

Our innovative AVC Master Trust is designed for DB schemes and provides an efficient, effective and economic way for trustees to manage AVCs.

By enabling multiple employers to join under a single governance structure, we can deliver a solution that ensures the members' benefits and guarantees are maintained and protected.



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