



Punter Southall  
Aspire

# SPORTA Finance Group

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Today we're going to cover...

**The Pensions  
Regulator**

**Top 10 DC  
actions**

**SPORTA GPP  
overview**



# A pro-active Pensions Regulator

The Pensions Regulator announced in June 2018 that it was increasing its short notice inspection of workplace premises

Power	Description	Number
Information Notice	The power to demand information and documents under the Pensions Act 2004	126
Inspection	The power to inspect premises under the Pensions Act 2004	142
Compliance Notice	A Compliance Notice to remedy a contravention of one or more auto-enrolment duty provisions	27,219
Unpaid Contributions Notice	An Unpaid Contributions Notice to remedy a late or non-payment due to a qualifying pension scheme	1,495
Fixed Penalty Notice	A Fixed Penalty Notice of £400 for failure to comply with a statutory notice or some specific employer duties	12,220
Escalating Penalty Notice	An escalating penalty of between £50 and £10,000 per day (depending on size) for failure to comply with a statutory notice	2,498



# 1 Contributions – Statutory (monthly/weekly)

1

Pay them!

TPR fine or prison

2

Deduct & pay them correctly

DC Trust – deduct & pay gross

GPP – deduct net of 20% tax and pay to provider net

3

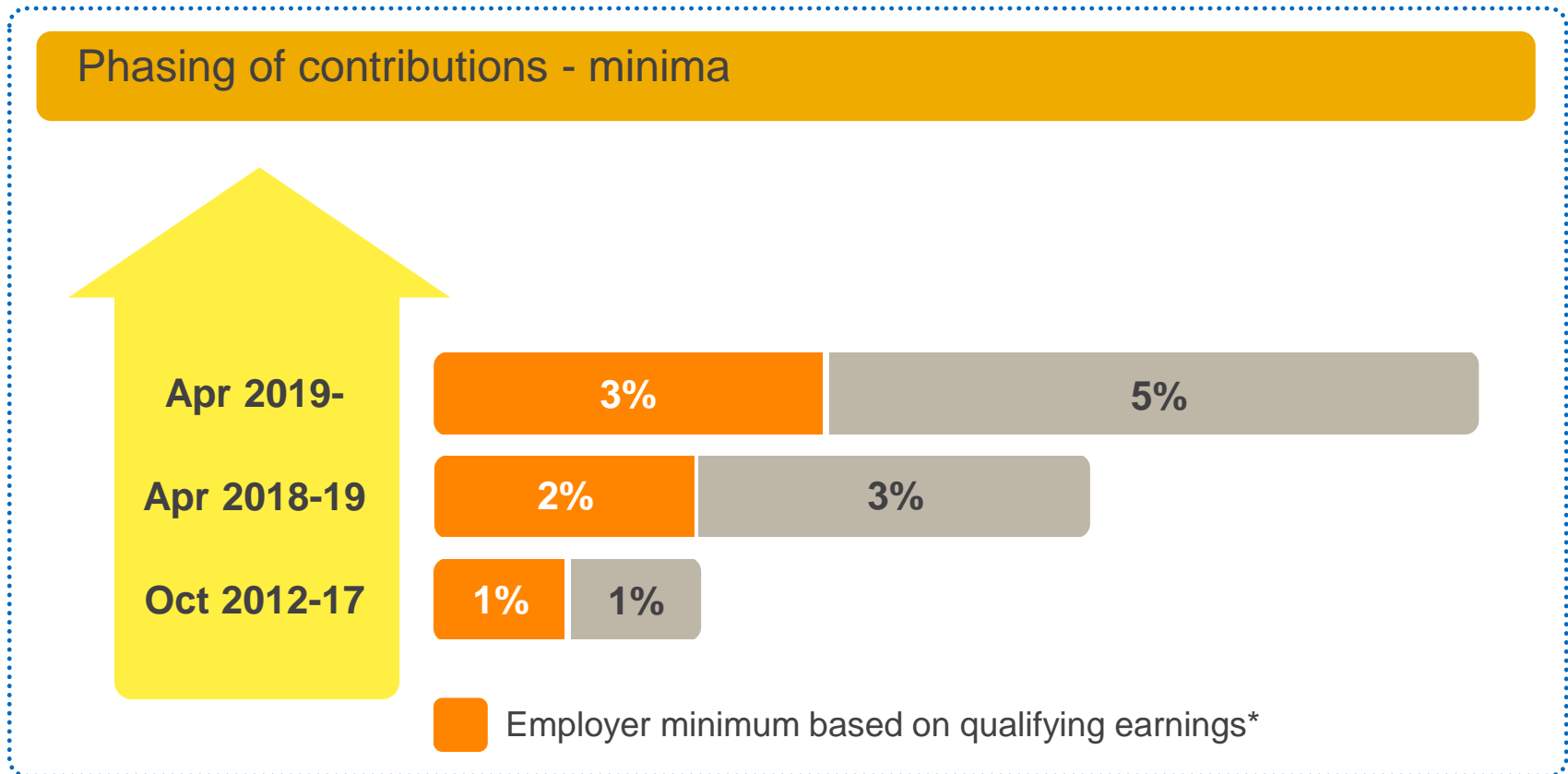
Pay them on time

Pay by 22<sup>nd</sup> of month following deduction

Reportable if “material” or >90 days late



## 2 Contributions – Statutory (review by April 2019)



\*Qualifying earnings: £6,032 to £46,350 (2018/19)

### 3. Communications – Statutory (review annually)

- **Postponement notice**

- Must issue within 6 weeks of date postponing from
- Period of postponement
- Must contain statutory up to date information, including right to opt in

- **Enrolment notice**

- Must issue Within 6 weeks of enrolment
- Date enrolled
- Right to opt out
- Contributions
- Where further information can be found



## 4. Communication – optional (annual update)

### Scheme factsheet or overview

- A bespoke overview of the DC pension plan that you operate for employees
- Issued before joining
- Provides all key scheme information
  - Scheme type
  - Provider
  - Contributions
  - Investment – default fund



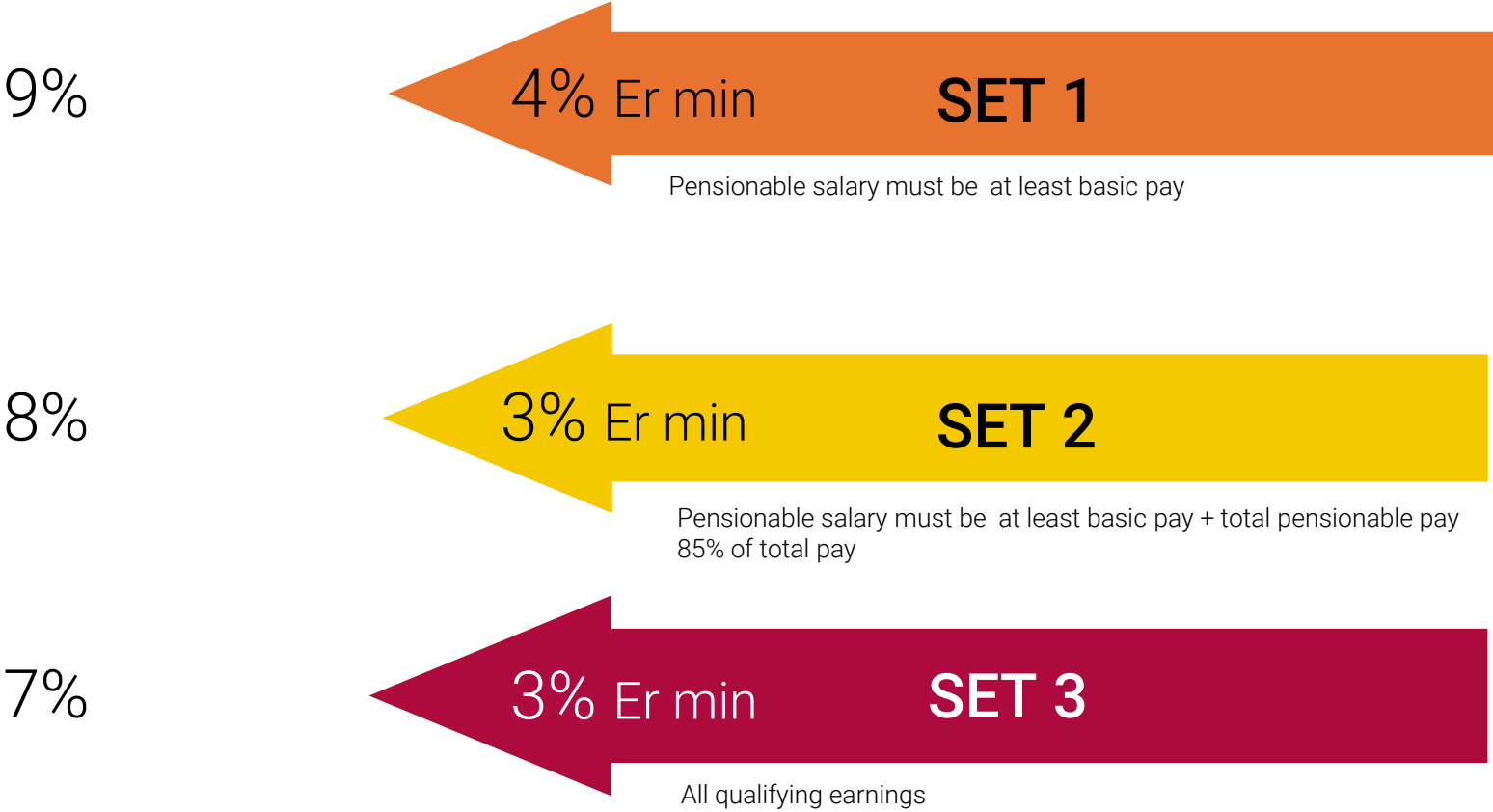
## 5. Default fund charges - review (TPR expected)

- + 0.75% = current maximum charge for default strategy in a QWPS
- + Provider terms depend on "quality" of scheme – membership, contribution rates and total assets under management
- + The Pensions Regulator expects employers/trustees to seek value for money for members
- + But as we know cheapest isn't always best!





# 6. Certification –statutory\* (every 18 months)



\*If not using the statutory definition of minimum contributions



## 6. Certification – the basics

- A certificate must set out the basis on which the pension plan meets one of the certification "Sets" 1, 2 or 3
- Alternatively you can certify that your contribution basis meets at least the statutory minimum approach for all individuals
- The Certificate lasts for a maximum of 18 months
- Must be replaced within 1 month of the previous ones expiry date
- The Certificate does not need to be sent to TPR but must be made available upon request



## 7. Default fund – 3 yearly (expected)

The “member outcome” is everything

Defined by factors below:

- Contributions
- Investment performance
- Charges
- How benefits taken at retirement

As over 85% of members remain in the default fund it is vitally important to the member outcome

Guidance states it must be suitable for the employee demographic, manage risk and provide value for money



## 8. Auto-re-enrolment – statutory (3 yearly)



Re enrol eligible employees who opted out

On 3 year anniversary of original Staging Date

Can bring forwards or delay by 3 months

Issue statutory re-enrolment notice to re-enrolees

## 9. Declaration of compliance – statutory (3 yearly)

On completion of your 3 year re-enrolment process you must complete a "Declaration of Compliance"

To do this you need:

- TPR's letter advising re-enrolment (10 digit access code)
- HMRC Government Gateway online access
- Make declaration by completing online questions about your re-enrolment
- To be completed within 5 months of 3 year Staging Date anniversary

## 10. Governance - optional?

Critical for the effective operation of a pension in a pensions auto enrolment world

- Mitigates risk
- Avoids costly litigation/TPR fines
- Ensures the efficient running of your pension scheme
- Helps to ensure a "good member outcome"



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

**The Pensions Regulator**



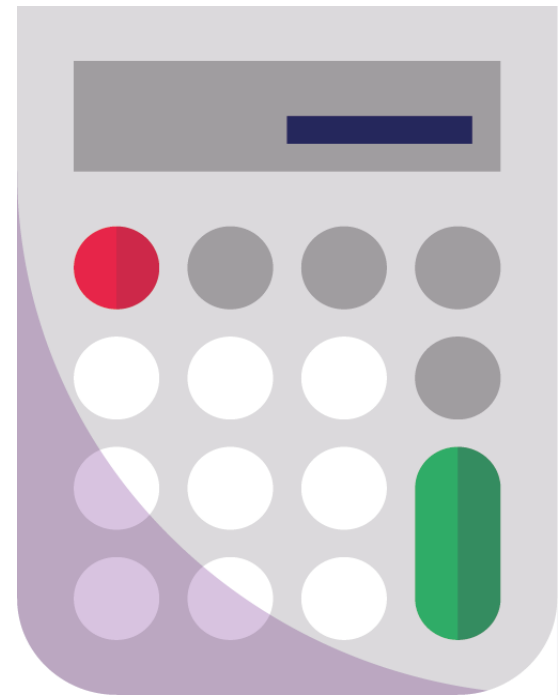
# SPORTA GPP Governance



# SPORTA Governance

For those Trusts that operate Aviva (previously Friends Life) Group Pension Plan (GPP)

- 21 Trusts/GPPs participate
- Costs shared equally (c£500pa)
- Meet annually
- Reports on Membership, Investment, Charges, Member outcome, Provider and Market & Regulatory update





# The SPORTA GPP Governance Group



8,297 plan members

Annual Contributions £1.5M

Over £5M of assets

All of the above are continuing to grow year on year

# SPORTA Governance

- Quarterly analysis and investment reporting on default strategy
- Auto enrolment toolkit revised for 2018/19
- 2018 Member newsletter
- Meeting minutes and actions
- Opportunity to address any provider issues direct with Aviva



## Risk warnings

- Unit prices can fall as well as rise
- Past performance is no guide to the future
- The earlier you access your retirement pot the smaller it may be
- The amount of pension received is not guaranteed and annuity rates can fall as well as rise
- Legislation/HMRC practice may change in future which could affect the benefits received
- Inflation can erode the value of pension at retirement
- At retirement private pension income may reduce the availability of certain state pension benefits
- The tax treatment of a policy will depend upon an individual's personal circumstances and may be subject to future change



# Thanks

For any further questions, please contact  
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