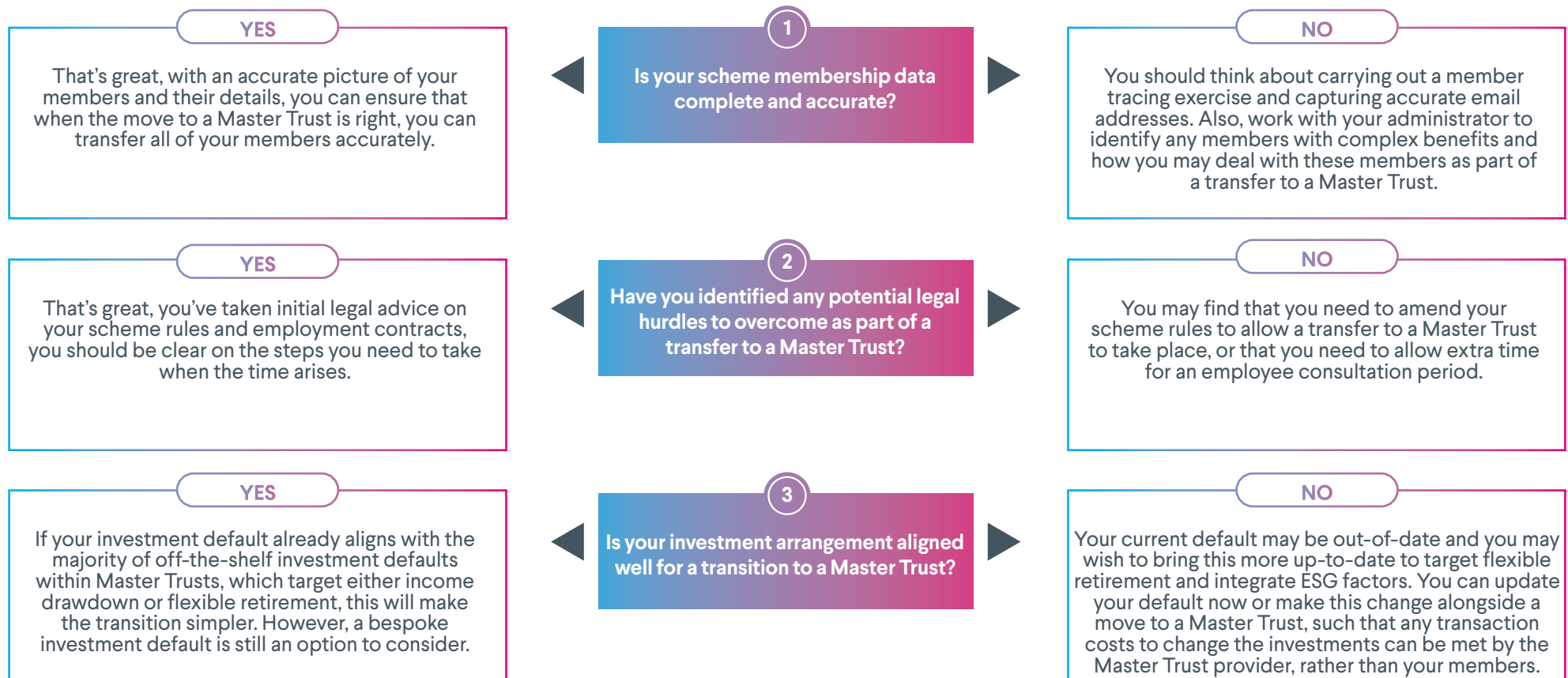


# Are you ready for a move to a DC Master Trust?

With the financial outlook looking uncertain, employers have crucial items at the top of their board agenda, so it's OK if moving your pension scheme to a Master Trust isn't top priority. But how can you make sure you're ready for the move when the time is right? Here are 10 simple questions to think about now to plan ahead:



YES

You seek regular feedback from your members to understand what they want from a pension scheme and expect to use this information to inform the Master Trust provider selection criteria when the time is right.

4

Are you clear on what your members want from their pension scheme?

NO

You could survey your members, find out what their priorities are, and take these into account when you're selecting a provider. This could be anything from reducing their impact on climate change (through investing responsibly) to the need for financial education to support their wider savings plans (financial wellbeing).

YES

That's great you have a target. If it's as simple as member charges are lower than what members are currently paying, it's important to keep a close eye on the market. Pricing terms continue to be trending downwards, but this could lead to a supply and demand issue and a capacity crunch with some providers.

5

Have you agreed an optimal price to trigger a move to a Master Trust?

NO

You should agree what the optimal pricing term should be to trigger a move so that you can capture a deal at the right time. Not forgetting that overall value to members must also be enhanced.

YES

It's important that you have a clear understanding of the annual governance costs and when these costs may become unsustainable in the future. This helps you to determine a reasonable timeframe to move to a Master Trust.

6

Have you carried out analysis to determine the cost of delaying a move to a Master Trust?

NO

You should analyse the annual cost to govern your current arrangement and the potential reduction in charges that members could benefit from in a Master Trust, as well as the overall value for members and resource requirements to run your current arrangement.

YES

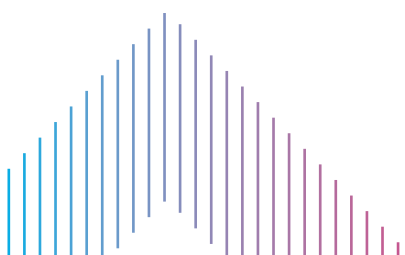
Having simple processes and systems will make the transition to a Master Trust straightforward and also make your scheme attractive to the market.

7

Have you simplified your current processes?

NO

You should think about reviewing your current automatic enrolment and payroll processes and consider adapting and simplifying these. This means you can easily hand over some of these responsibilities to a Master Trust provider when the time is right and potentially reduce the administration burden.



YES

If you don't want to move to a Master Trust yet, but want to offer flexible and competitive retirement products and a smooth journey into retirement for your members, you might want to consider utilising the at-retirement solution a Master Trust can offer.

8

Would an at-retirement Master Trust solution be attractive to your members?

NO

Your membership profile may not be suited to an at-retirement solution, or you believe that a complete move to a Master Trust is possible in the short to medium term and prefer this route.

YES

It's worth bearing in mind that pricing terms from a Master Trust provider will be heavily influenced by the size of your membership, existing assets and annual contributions.

9

Are you thinking of making changes to your workforce or contribution levels?

NO

If you haven't benchmarked your contribution levels against your industry sector, you should consider carrying out this analysis. Any increase to contribution level will make your scheme more attractive to the Master Trust market.

YES

You have an endgame strategy for your DB scheme and this aligns well with your DC scheme moving to a Master Trust. Considering both arrangements in conjunction will allow you to explore opportunities to maximise commercial terms across both a DB buyout and a DC Master Trust.

10

Have you considered your DB section endgame strategy alongside your DC section move to a Master Trust?

NO

You should consider your endgame strategy for your DB scheme alongside your DC scheme moving to a Master Trust. Considering both arrangements in conjunction will allow you to explore opportunities to maximise commercial terms across both a DB buyout and a DC Master Trust.



To find out more about our **Master Trust** consulting service and the specific steps you can take to be ready for a move, contact Shabna or Mike.

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