

CASE STUDY | **SCOTTISH ENTERPRISE**

A long-term partner for an open scheme

Our actuarial, administration and secretarial teams help the Scottish Enterprise scheme to remain sustainable, relevant and secure for current and future generations. The scheme is open to new members and to accrual, making it a rarity in the private sector. We started advising SE 20 years ago, and were recently reappointed – a strong testament to our success.

Stability for the long term

We've been the actuarial adviser to SE for more than two decades – through the dotcom bubble, the great financial crisis and the Covid-19 pandemic. Throughout these financial storms, we've worked with the trustees and sponsor to keep a long-term focus, balancing paying benefits with keeping employer contributions stable.

This strategy has resulted in an evolution of benefits and a **stable 20% contribution rate** – even after the valuation in March 2020 at the trough of markets in the pandemic. Our approach helps us to see beyond prevailing market conditions, so we can use long-term norms to guide our advice.

We don't treat an open scheme as we would a typical mature DB scheme. We apply our extensive experience in advising open DB schemes in the public sector, constantly sharing best practice and new ideas across our firm.

Our view is not only long term, but also holistic: we look at past service benefits and future service benefits together for a cross-generational view. This approach gives us flexibility in how we treat funding and contributions.

The long time horizon lets us prioritise: we focus on what is important now while planning to avoid crunches. Thus we can achieve sustainability not just in contributions, but in running costs too. In this way we develop a strategy that is well thought out and meets regulatory requirements, while not being driven by them.

Putting people first

A stable long-term scheme needs a stable long-term team. Advisers need time to get used to the nuances of open schemes, and the values and culture of the client.

Our teams have been in place for a long time, so we can think about priorities through the lens of trustees, employer and members.

An employer can use an open DB scheme to attract and retain talent, but only if the scheme stays relevant to today's workforce and economic environment. We can help the employer find the most appropriate way to keep contributions stable, rather than rigidly sticking to one approach even as times change.

Communication with active members is paramount. We regularly talk to members to help them get the best value from the scheme, and we work closely with the employer's HR and finance teams.

The "seamless, trouble-free, friendly" experience that our "very friendly, helpful and extremely efficient" teams provide leaves members 'delighted'. As one recently put it, dealing with Hymans Robertson "really has been a pleasure".

Members' financial advisers are also impressed: "it makes such a difference when everyone is cooperative."

Contact us

If you want more information about anything covered or how we can help your scheme, don't hesitate to get in touch:



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