



Retirement Solutions

Value for Members

Defined Contribution Sections

Agreed by Verity Trustees Limited,
Trustee of The Pensions Trust – 24 March 2022



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Value for Members

Background

This report has been prepared for the Trustee in the context of its ongoing monitoring and oversight of the Defined Contribution (DC) arrangements of The Pensions Trust. The Pensions Trust is an occupational pension scheme and an authorised Master Trust, which operates under the brand name 'TPT Retirement Solutions'. For the purpose of this document, all references to 'TPT' refer to both The Pensions Trust and TPT Retirement Solutions.

The purpose of this report is to assess the value for members of TPT's DC arrangements, looking at the costs they pay for the benefits and services they receive.

TPT Retirement Solutions

TPT is an occupational trust-based pension scheme and an authorised Master Trust. The Trustee is a corporate trustee, Verity Trustees Limited. TPT is a not-for-profit organisation, run for the benefit of its members. TPT's mission statement is 'Making membership worthwhile'. TPT believes that its values make it different from other providers, and enable it to focus on the needs of the employers and members it serves, rather than shareholders.

TPT's core values are:

- Committed
- Cost effective
- Customer focussed
- Inclusive
- Innovative
- Integrity

TPT has 50 individual segregated schemes within the Master Trust, the assets and liabilities of which are all ring-fenced from each other. There are 38 DB schemes, nine hybrid (DB/DC) schemes and three stand-alone DC sections.

DC sections:

- Flexible Retirement Plan (FRP)
- The Ethical Fund (TEF)
- Pension Scheme for the Education Sector (PSES)

Hybrid schemes:

- The CARE Scheme – DC Section - closed to future contributions from 1 April 2016
- The Growth Plan - Series 4 provides exclusively DC benefits
- The Notting Hill Genesis Pension Scheme – DC section
- Scottish Housing Associations' Pension Scheme – DC section
- Social Housing Pension Scheme – DC section
- The Independent Schools' Pension Scheme – DC section
- Optivo – DC Section
- A2 Dominion Benefit Scheme – DC Section
- Guinness Partnership Scheme – DC Section

For the purposes of administration, investment and governance, all DC schemes are grouped together and run as a single pension scheme.

Throughout this document we refer to all of TPT's DC arrangements collectively as the DC Scheme.

Audit and Assurance Framework

From 1 April 2020 TPT adopted the new framework provided by the ICAEW, TECH 05/20 AAF Assurance Reporting on Master Trusts, and has completed its first assurance report using this new framework for the period 1 April 2020 to 30 September 2021 will reflect this.

Authorisation

TPT has been authorised as a Master Trust under the Pensions Schemes Act 2017 by the Pensions Regulator (tPR) since 18th June 2019.

To retain this authorisation, the Trustee must demonstrate that the DC scheme:

- Has people running it that are ‘fit and proper persons’ (the Trustee Directors and members of the Scheme Strategist).
- Has a sensible and achievable Business Plan.
- Is financially sustainable in a variety of possible economic and other scenarios.
- Has systems and processes which govern the running of the Scheme, which work in practice and are monitored.
- Has robust plans in place should the Scheme need to address a serious issue or, as a last resort, to wind up. This includes plans as to how the Trustee will act in these circumstances and how these plans would be financed without increasing charges for members.

Authorisation provides members with further comfort that TPT is well run, sustainable, and will continue to deliver value for members.

Value for members

Poor value for members is a key risk that trustee boards have to manage. The law requires the Trustee to “calculate at least annually the charges, and in so far as they are able to, transaction costs to which member funds are subject to and to assess the extent to which they represent good value for members.”

In preparation of this report, TPT has considered the illustrative approach provided in tPR’s Guide to Value for Members.

Preparation of this assessment

In order to assess value for members, TPT followed the process set out below:

- Reviewed the criteria against which value for members is judged
- Reviewed the scope and quality of the DC Scheme offering
- Collated the actual performance of the DC Scheme during the period
- Considered the costs charged to members for the DC Scheme services
- Reviewed each of the items in absolute terms as well as relative to TPT’s ‘comparators’
- Reviewed the improvements listed in last year’s value for members report and the effect and outcome
- Looked at the work carried out in 2020-2021 to improve member and employer experience and assist with cost effectiveness
- Identified future improvements

Areas considered when judging value for members

The following areas have been considered:

- Scheme governance and management
 - Trustee Board
 - Structure of TPT
 - Member complaints / disputes
- Scheme administration
 - Contributions
 - Member records and data
- Investment
 - Investment defaults
 - Member self-select options
 - Risk profile
 - Investment performance
- Member charges
- Member communication and engagement
 - Accumulation phase
 - Online access
 - Pre-retirement phase
 - Member feedback

Member Services

This section details the scope of services provided to DC Scheme members.

SCHEME GOVERNANCE AND MANAGEMENT

Trustee Board

The Trustee is responsible for all aspects of running TPT including administration, investment, governance and communications.

Three Trustee Directors are nominated by members, three by employers and a further three are co-opted by the member and employer nominated Directors.

Management Oversight Board (“MOB”)

The MOB is responsible for overseeing the operation of TPT Retirement Solutions and ensuring that the Trustee’s delegates exercise the powers delegated to them appropriately.

There are five members of the MOB, four non-executives and TPT’s Chief Executive, all of whom are appointed by the Trustee.

The Trustee and MOB are directly supported by TPT’s Executive Board and further supported/ advised by:

- An investment adviser, Redington
- A team of legal advisers from Linklaters, Pinsent Masons and CMS who specialise in pension scheme advice and have extensive experience of the Scheme
- The Scheme Actuary, Michael Kelly of Mercer
- The Scheme Auditor, PwC

TPT outsources DC administration to Mercer.

TPT monitors Trustee advisers on an ongoing basis, with a formal review taking place normally every five years. The Trustee can decide to defer a review if it is satisfied with the performance of the existing supplier and there are sound reasons for doing so. For example, if an existing supplier is due for formal review at a time when it is advising on a lengthy and complex project.

SCHEME GOVERNANCE AND MANAGEMENT continued

Structure of TPT

TPT employs approximately 190 people. Of these:

- 26 administrators hold or are studying for either the Diploma or Certificate in Pensions Administration from the Pensions Management Institute (PMI).
- Seven employees are Associates or Fellows of the PMI and another 26 are part PMI qualified.
- TPT also employs
 - six qualified actuaries
 - three lawyers (who specialise in pensions law)
 - 43 staff with alternative professional qualifications, including Chartered Financial Analyst (CFA), Chartered Institute of Public Relations (CIPR) and Chartered Institute of Management Accountants (CIMA).

In addition, there is a dedicated DC Oversight Committee comprising members of the Executive Board, including the DC Director who has overall responsibility for implementing DC Strategy. The DC Oversight Committee also acts as the Scheme Strategist for the purposes of Master Trust authorisation.

Member complaints / disputes

Complaints by members regarding DC services are dealt with in the first instance by Mercer, which is responsible for the underlying administration and member events of the DC Scheme. Employer complaints are dealt with initially by TPT.

If a member or employer invokes TPT’s Internal Dispute Resolution Procedure (IDRP), the complaint is passed over to the Trustee Services Team which investigates the complaint and responds to the complainant in accordance with the IDRP. If a complainant is unhappy with the decision reached at the first stage of the IDRP, the complainant has the right to appeal to the Appeals and Discretions Committee, which comprises members of the Trustee Board.

Members have the right to appeal to the Pensions Ombudsman if they are dissatisfied with the determination of the Appeals and Discretions Committee.

SCHEME ADMINISTRATION

DC administration is outsourced to Mercer. TPT has a detailed contract with Mercer which provides for all required administration services, both on an ongoing basis and following termination of the contract.

TPT monitors Mercer's performance every month, including all day-to-day member administration services (new members, transfers in and out, benefit statements, queries, quotations and pre/at retirement services) against Service Level Agreements (SLAs).

Contributions

TPT collects contributions and data from employers and validates the data for accuracy. Data and contributions are then passed to Mercer for investment allocation and updating of member records.

"Straight through processing" is in place, linking Mercer with the investment platform at Phoenix Corporate Investment Services for the investment and disinvestment of contributions. Contributions are usually invested within three working days of receipt and reconciliation of money and data from Employers.

Member records and data

TPT receives an annual report from Mercer on the quality of "common data". An action plan for addressing any improvements that may be needed is subsequently created and agreed.

A daily "data match back" report between TPT and Mercer is used to monitor and improve the quality of data submitted by employers.



INVESTMENT

Investment defaults

AllianceBernstein (AB)'s Target Date Funds (TDFs) and Ethical Target Date Funds (ETDFs) for those employers who select the Ethical Scheme, are the default strategy for DC members.

TDFs/ETDFs offer opportunities for growth in the early accumulation stage via investment in growth type assets and provide increasing stability for members approaching retirement via an actively managed move into lower risk assets. These funds are customised by AB to meet the profile of TPT's DC membership.

The investment objective for the default strategy is set by the Trustee and is reviewed annually. The Trustee's Investment Committee (IC) reviews the ongoing suitability of the funds used for the default and the range of self-select funds. Following the most recent external review completed by the Trustee's investment adviser, Redington, (finalised in May 2019), the Trustee continues to consider TDFs to be the most suitable strategy for the majority of members. The Trustee also continues to view AB's TDFs as appropriate for the DC Scheme and to provide good value.

Member self-select options

For members who want an ethically managed option, or who want to be more directly involved in the allocation of their money, the DC Scheme offers seven "self-select" funds in addition to the default funds, namely:

- Diversified Growth Fund
- Global Equity Fund
- Socially Responsible Investment (SRI) Fund
- Property Fund
- Index-linked Gilts Fund
- Bond Fund
- Cash Fund

During 2020/2021, TPT's Statement of Investment Principles was amended to reflect that the TPT Self-Select Cash Fund was no longer a default option. The TPT Self-Select Cash Fund had been temporarily designated as a default fund following the suspension of the Self-Select Property Fund in 2020. No other changes were made to the self-select investment options.

Members can use their online account, or download a form from the DC website, to change their fund choices free of charge at any time.

INVESTMENT continued

Risk profile

The main risk to members is that the investment returns over the life of the funds fail to keep pace with inflation and hence the funds lose value in “real” terms. To mitigate this risk, TDFs have an investment benchmark that is expressed as a return in excess of inflation (measured by the Consumer Prices Index (CPI)).

While aiming to achieve these long-term returns AB seek to dampen the impact of short-term market volatility by adjusting the asset allocation within each TDF.

As members approach retirement, the TDFs’ risk profile changes to ensure that investments ‘match’ in some way their requirements in retirement. This can take the form of an element of increasing capital security but with retention of some growth assets. Therefore, in the years preceding retirement, a proportion of assets is moved from growth assets into lower risk assets.

Investment performance

TPT’s Investment Management Team monitors the DC Scheme’s investment performance and presents quarterly reports to the IC and the Trustee Board.



MEMBER COMMUNICATION AND ENGAGEMENT

The Trustee considers member communication to be a vital element of delivering value for members.

Member communications are divided into two categories:

- Those that members receive whilst they are building up their retirement fund (the accumulation phase)
- Those that members receive as they are approaching retirement (the pre-retirement phase). Communications in each of these phases are summarised below.

Accumulation phase

- Welcome video and communications when joining the DC Scheme
- Email nudges to check and update important information such as beneficiaries and target retirement date
- Online access to individual records via their retirement savings account where members can:
 - View their current fund value
 - View and amend their investment decisions and contribution rates
 - Model their expected retirement benefits based on personalised data (actual fund values, contribution rates and salary information)
 - Change their contact details and nomination details
 - Request retirement quotations.
- An annual benefit statement and personalised video statement.
- Newsletters, issued by email, on relevant topics such as pension scams, climate change, and the PLSA’s Retirement Living Standards to help members understand the impact of their savings on their lifestyle at retirement.
- Website: TPT has a dedicated DC member website where members can easily access information about their scheme as well as more general information and educational material.
- Helplines: TPT and Mercer operate helplines for members during office hours (8.30am-5.00pm).
- Online enquiry portal: Members can contact the TPT team at Mercer using a dedicated online portal, ‘Contact TPT’. They can use Contact TPT to submit enquiries and upload relevant documents.
- Member guides: Members can access a copy of their member guide on the DC member website with hard copies issued on request.
- Fund factsheets: Members can access copies of fund factsheets online. These are updated quarterly. A “Guide to Fund factsheets” is also available online.

Scope and quality of services to members

When assessing the scope and quality of the services provided, the following factors were considered:

- member needs
- performance

Member needs

Assessing member needs is very difficult given the size of the membership and the reality that some members do not know their pension planning needs. However, we have considered the general membership profile as well as conducting detailed research on members' views.

Membership data

As at September 2021 TPT had 283,965 DC members of which 129,062 were active and 154,903 were deferred.

There are approximately 12,000 hybrid members (members with both DB and DC benefits). The average fund size is £7,498 with the average length of service approximately 5 years.

The average salary is around £24,800 and the average contribution rate is 10.1% across all members. Members under age 30 have a slightly lower average contribution rate of 8.9%. Members over age 65 have a higher average contribution rate of 10.56%.

Over 94% of TPT's DC members invest in a default fund.

TPT therefore provides most members with a scheme that does not require them to make complex decisions, whilst providing help and support to the very small group of members who prefer to 'do things themselves' by selecting their investment funds. Regardless of the level of pension knowledge, TPT encourages all members to engage with their pension savings, whether they prefer a hands-on or hands-off approach to saving.

MEMBER COMMUNICATION AND ENGAGEMENT continued

Online access

Almost all eligible employers have agreed for their members to be given access to a secure online account. 99% of DC scheme members can access services online.

Pre-retirement phase

A full retirement pack is sent six months prior to a member's anticipated retirement date. This pack includes general risk warnings, signposts members to Pension Wise, a free and impartial pension guidance service offered by the Government, and provides members with the relevant paperwork to enable them to draw their retirement benefits should they wish.

TPT has partnered with Mercer to provide members with an 'at retirement' service in respect of annuities and income drawdown options. Members are offered a two-tier service with a pricing structure to reflect the level of advice given. Members can use Mercer's service or their own independent financial adviser (IFA). Members who choose not to use any such service are still provided with details of the choices available to them and are offered access to an online facility, the Pensions Calculator (without charge) and the opportunity to speak to a member of Mercer's Pensions Decision Service team (without charge), to assist them to make appropriate retirement choices.

Member feedback

TPT employs The Leadership Factor (TLF) to conduct an independent customer satisfaction survey to monitor the perceived quality of service that members are receiving and to identify areas for improvement.

The surveys are conducted via telephone so that supporting comments can be gathered and collated alongside the scores for key questions which include speed of service, understanding of a customer's needs, explanation of processes, ease of understanding of the information provided and being kept informed.

TLF helps TPT to track improvement and provides comparison against a larger satisfaction index table including other companies. Key information is shared to support TPT's strategy and to maintain a long-term focus on customer service.

TPT also employs TLF to conduct a separate survey to capture member feedback in relation to TPT communications and online services, such as the DC website.

Member engagement

TPT has a comprehensive member engagement strategy which is designed to meet three key Trustee objectives:

- Ensuring that members optimise their contributions to improve outcomes
- Ensuring that members can make informed and personal decisions about their TPT pension
- Ensuring members have a realistic expectation about what their TPT pension will deliver

Engagement activity is delivered through a number of communication channels:

- DC member website: where members can easily find information about their scheme as well as containing engaging and helpful material, including educational videos for each stage of the member journey
- Secure online account: Members are provided with access to a secure online portal. They can use the portal to check the value of their pension and use the modelling tool. They can also carry out a number of transactional tasks including fund switching and personal information.
- Video benefit statement: We've recently introduced personalised video benefit statements. These 90 second animated videos are sent to active members to highlight key information from their annual benefit statement.
- New joiners welcome journey: We've developed a specific communication programme to welcome new joiners to a scheme along with a dedicated new joiner area on our DC member website which also includes a welcome video. The programme aims to engage new joiners with their TPT pension savings and also provides them with important information including activating their secure online account.
- Member and employer newsletters: Are issued to help keep members and employers up-to-date. The newsletters includes TPT specific updates as well as articles on other relevant industry topics.
- Regarding DC Governance (Chair's Statement): We produce a shorter more visually appealing version of the statutory annual Chair's Statement to encourage members to read the key messages.

TPT is committed to enhancing member engagement, with new initiatives planned to enhance our offering, as detailed in the 'Looking forward' section on pages 25.

Performance

In this section we set out the performance of services provided to DC Scheme members.

SCHEME GOVERNANCE AND MANAGEMENT

External assessment

Prior to achieving Master Trust authorisation TPT received the "PQM Ready Quality Mark", meaning that the DC Scheme was independently assessed as having high quality standards of governance, low charges and clear member communications.

As an authorised Master Trust, TPT regularly submits information to tPR for the purposes of on-going supervision and maintenance of its authorised status.

In 2021 the Trustee Board engaged a third party, Independent Audit, to undertake a Trustee Board Effectiveness Review. This included observing meetings of the Trustee Board and its Committees, reviewing meeting packs and individual interviews with Board and Committee members and TPT staff.

The results of the review were reported to the Trustee Board in September 2021. The report concluded that the Trustee Board had strong foundations for working effectively, a clear commitment from all involved, a good mix of experience and strong support from the management team. It was also noted that there was a great deal of respect for the Board and Committee Chairs and that meetings were working well. The report also made some recommendations for improvement which will be implemented during 2022.

Trustee assessment

The Trustee normally undertakes an annual appraisal process to ensure that each of the Trustee Directors is performing in their role. Feedback received through the appraisal process feeds into the training programme for the following year. The 2021 appraisal process was deferred to allow time for the Board Effectiveness Review to be undertaken. Meetings are due to take place with all Trustee Board members in early 2022 to discuss their training requirements for the next year.

As part of tPR's ongoing supervision of Master Trusts, all Trustee Directors and the Scheme Strategist, which comprises members of the Executive Board, will continue to be judged against a list of criteria defining persons who are "fit and proper" to run a DC Master Trust.

Member complaints / disputes

Over the 12-month period to September 2021, from its DC membership of circa 284,000, TPT received 13 formal complaints under the internal dispute resolution procedure about service in the DC Scheme, three of which were referred to the Appeals and Discretions Committee.

Three complaints were referred to the Pensions Ombudsman in respect of the DC Scheme over the 2020-2021 Scheme year.

Member Charges

We set out in this section the charges paid by DC members for the services provided by the Scheme.

MEMBER CHARGING APPROACH

An all-inclusive “bundled” Annual Management Charge (AMC) is charged to members and covers the following services:

- Trustee Governance
- Administration
- Investment Management services
- Communications

It is not possible to break down the member costs into the component parts, as the underlying charges are calculated in different ways. Also, much of TPT’s expenditure (such as staff) covers both DC and DB arrangements.

Employers meet individual scheme set-up charges and any additional costs incurred as a result of “bespoking” the service Mercer provides.

SCHEME ADMINISTRATION

Service Level Agreements (SLAs) are monitored on a monthly basis by TPT, with an SLA target of 95% in place. Over the 12 month period to September 2021, the average SLA was over 98.8%.

Mercer provides TPT with confirmation each month that it is fulfilling its statutory obligations in respect of administration.

Accuracy of “Common Data” stands at 96% (against a benchmark of 100%) and further updates are scheduled to continue to improve the quality of data held. Mercer operates a dedicated customer service centre for all DC members to call and speak to a TPT scheme expert.

The performance of Mercer’s administration service for TPT has been in line with the Trustee’s expectations over the 12 month period, despite the challenges of COVID-19.

INVESTMENT

The Investment Management Team monitors investment performance and presents quarterly reports to the IC and Trustee Board. Each fund has an outperformance expectation over a Consumer Prices Index (CPI) benchmark.

TDFs for ‘younger’ members have a performance expectation of CPI + 4% at outset. This performance expectation reduces as members approach retirement age, to CPI + 0%.

The table below sets out figures for the year to September 2021 and includes volatility metrics. Volatility is a measure of risk – it is a statistical calculation of the variation of returns over time. The aim is to keep volatility lower as the anticipated retirement date approaches.

Performance to 30 Sep 2021 Since Inception (1 Mar 2013) – annualised

Target Retirement Date	Target Date Funds	Ethical TDFs Post 1999	Ethical TDFs Pre 1999	Benchmark*	Volatility TDFs	Volatility Ethical TDFs Post 1999
2017-2019	5.00%	5.14%	5.35%	2.67%	3.73%	4.11%
2029-2031	8.03%	8.55%	8.77%	4.47%	8.18%	7.48%
2038-2040	9.82%	9.70%	9.92%	7.01%	11.97%	10.27%
2047-2049	8.59%	10.1%	n/a	7.01%	11.97%	12.64%

Performance is presented net of Annual Management Charge and additional fund expenses #CPI plus the outperformance expectation set at inception. For the 5 years to 30 September 2021.

All TDFs have outperformed their relevant CPI+X% benchmarks since their inception in February 2013.

Investment monitoring

The IC has set targets for each TDF and monitors their performance using quarterly reports from AB. In the long term, the performance of TDFs depends on their asset allocation.

The self-select funds use underlying index tracking and/or factor funds (with the exception of the Property Fund and Diversified Growth Fund). The funds are designed to match the performance of the underlying index tracking funds after allowing for costs.

ANNUAL MANAGEMENT CHARGES

The actual AMCs charged to members vary depending on the investment fund chosen by the member (or the default fund if no choice is made).

Whilst the AMCs are shown as an annual equivalent, in practice they are deducted daily from members' pots via an adjustment in the relevant unit price, so members do not explicitly see a deduction from their account.

Default funds:

- Target Date Funds (TDFs) – 0.5%
- Post 99 Ethical Target Date Funds (ETDFs) – 0.63%

Members who joined the Ethical Fund before 1999 pay a lower AMC of 0.5% because they paid a fixed price on joining the fund (as required by the Rules at that time).

Self-select funds:

- Global Equity Fund, Socially Responsible Investment (SRI) Fund, Bond Fund and Index-Linked Gilts Fund – 0.45%
- Cash Fund – 0.44%
- Property Fund – 1.00%
- Diversified Growth Fund – 0.52%

Information about charges is included on TPT's website, in member guides, on fund fact sheets, in members' DC accounts and on benefit statements.

In the interests of clarity and transparency the quoted AMC includes all fixed member charges, including the platform* fee. Any variable costs are, however, excluded (these are described below).

* The platform is where all of the funds are held, and the fees cover the costs of administering the funds on the platform.

VARIABLE COSTS

Investment funds incur additional expenses which are charged to the fund, but which are not paid out of the underlying management fee. These typically include custodian fees, legal fees and depository expenses. These can vary from month to month and between funds.

TPT has set an upper expectation on the costs that the investment managers can deduct from these funds as follows:

- TDF = 0.03%
- ETDF = 0.05%
- ETDF (pre-99) = 0.08%
- TPT Cash Fund = 0.01%

These charges are taken from members funds in addition to the AMC.

TRANSACTION COSTS

Transaction costs are the costs incurred as a result of the buying, selling, lending or borrowing of investments. These costs mainly arise as a result of delivering a fund's target investment return.

As an example, a fund may need to buy or sell assets when customers pay money into or take money out of the fund. These actions incur costs.

Transaction costs arise as result of participating in a financial market and so are separate from any product level administration charges and any annual management charges. The transaction cost for buying or selling an investment includes all costs incurred from the point an order to transact is received, to the point at which the transaction completes. These costs include all charges, commissions, taxes and other associated payments incurred directly or indirectly.

Transaction costs must be disclosed at the overall level which will include explicit and implicit transaction costs.

Explicit transaction costs include taxes, explicit fees and charges, and costs in connection with securities lending and borrowing.

Implicit transaction costs relate to the difference in the price of an asset for which it might be bought or sold, or other costs which may require judgement to assess.

Transaction costs for workplace pensions must be calculated according to the Financial Conduct Authority (FCA)'s 'slippage cost' methodology. The FCA approach calculates a difference between the value of an asset and the price paid and includes both explicit and implicit costs.

To capture the implicit costs of buying and selling, slippage compares the price at execution (execution price) against a fair value price when the order to transact entered the market (arrival price) after allowance is made for the explicit costs which are incurred.

Trustees are required to present the costs and charges typically paid by a member as a "pounds and pence figure". The costs and charges for TPT's schemes are published in the "Chair's Statement Regarding DC Governance".

OTHER MEMBER COSTS

No other member charges are taken during the Accumulation Phase, and in particular members are not charged for switching their fund choices.

There were no one-off costs charged to members during 2020/21.

Members can choose to access Mercer's "simplified" or "full" advice service at retirement. Mercer charges the member for this service.

Comparison against TPT Comparators

TPT comparators

TPT has considered the member (and employer) services and charges of 8 comparator Master Trusts. These have been chosen based on their size and likely target market:

- Aviva Master Trust
- Legal and General WorkSave Mastertrust
- NEST
- Now: Pensions
- The People's Pension
- Smart Pension
- Standard Life Master Trust
- Willis Towers Lifesight

The information has been collated mainly from publicly available sources, and whilst it has not been verified by the providers themselves, it has been reviewed by the DC specialists within TPT.

Scheme governance and management

TPT believes that the governance and management of the Scheme compares well with the comparator schemes, in particular the extensive governance and administrative support provided by TPT.

Member services

TPT believes that the services provided to members including the member helpline, website and wider communications also compare favourably with the comparators.

It is more difficult to make a judgement on the investment default approach, as the underlying membership profiles may differ, but all of the comparators provide a growth then de-risking approach (using either Target Date Funds or Lifestyle). TPT believes that Target Date Funds provide significantly more investment flexibility and futureproofing than a Lifestyle approach.

The range of self-select funds offered to TPT members is less extensive than a number of comparator schemes. However, the extent of member take-up of these wider options is unlikely to be high.

Member charges

The vast majority of TPT members (who use the default TDFs) pay a member charge of 0.50%. Again, this compares favourably with those comparators that have a 'standard' charge (including those that have 'combination' charges, with an AMC and some form of contribution or flat rate charge). It is not possible to produce a meaningful comparison against those schemes that price each employer individually.

Comparison of service against costs

Based on the above comparison, TPT believes that it provides a good range of services both to members and employers and in the day-to-day running and governance of the Scheme. In addition, it believes that this overall framework protects the interests of DC members and ensures that money spent on DC products and services is carefully monitored, appropriate and gives benefit to members.

Furthermore, a comparison of TPT's DC services with those offered by TPT's comparator schemes gives a favourable picture of the offerings.

TPT believes that the performance of these services is appropriately monitored, and the actual performance has been very good.

TPT believes that the charges members pay for these services are reasonable.

Conclusion

In summary, TPT:

- Has a robust and independent governance structure in place that focuses on improving member outcomes
- Is an authorised Master Trust
- Is exceeding its SLAs in administration and performance objectives for investments
- Operates a default fund which is suitable for the majority of its members and which incorporates a well-designed investment glide path to retirement. Over 94% of members contribute to the default arrangement
- Provides regular member communications and is committed to improving member communications and engagement through a combination of new and refreshed initiatives
- Is continually assessing and reviewing its DC offering to members and remains committed to understanding member needs
- Has member charges that are broadly in line with its competitors and well below the 'charges cap'.

Thus, in comparing the services provided to members, their scope and quality and the level of member charges, TPT believes that its DC Scheme offers good value to members and employers.

Looking forward

The primary purpose of this assessment is to review the value that members have received from the DC Scheme over the reporting period. However, it is important that the findings of the assessment are used to improve outcomes for members in the future, wherever possible. Therefore, TPT has identified the following areas for action / improvement or ongoing review.

Scheme governance and management

- The Trustee has a two-tier governance structure, with a supervisory Trustee Board which appoints and holds to account the MOB which, along with the Executive Board, holds certain delegated authorities. This structure and the way that it works on a day-to-day basis is kept under review by the Trustee to ensure that decisions are made efficiently and in members' interests.
- In 2021 the Trustee Board engaged a third party, Independent Audit, to undertake a Trustee Board Effectiveness Review. This included observing meetings of the Trustee Board and its Committees, reviewing meeting packs and individual interviews with Board and Committee members and TPT staff.
- The results of the review were reported to the Trustee Board in September 2021. The report concluded that the Trustee Board had strong foundations for working effectively, a clear commitment from all involved, a good mix of experience and strong support from the management team. It was also noted that there was a great deal of respect for the Board and Committee Chairs and that meetings were working well.
- The report also made some recommendations for improvement which will be implemented during 2022.

Administration

- TPT will continue to monitor the administration service offered by Mercer to ensure it continues to offer good service to members. There is an ongoing focus on improving member communications and increasing online engagement and self-service, whilst also continuing to make improvements to processes and data quality.
- TPT's robust administration processes have continued to provide good service to members despite the challenges raised by COVID-19 and the Trustee will continue to monitor the situation carefully as the pandemic continues.
- The Investment Management Team will continue to monitor investment performance and keep the appropriateness of AB's TDFs under review. In addition, it will continue to work with all of the investment managers on the identification and publication of transaction costs.

Communications and member engagement

Member engagement is a key area of focus for us and we're continually looking at new and innovative ways we can engage members with their pension savings to help them understand how much they need to save to achieve the retirement lifestyle they want and to understand their retirement income options.

Over the past year highlights include:

- Implementing an engagement programme for new joiners. This includes a dedicated new joiner area on our DC member website, a short video explaining the key things they need to do, and an email engagement nudge programme. The efforts we've made to increase the level of member email addresses we hold means that over 80% of new joiners can be reached with our email engagement programme.
- Over 30 key operational service letters have been revamped in response to member feedback to ensure the content in them is easy to understand and that the call to action is clear.
- Over the past year, we've transformed our retirement journey with a redesign of all retirement communications and the ability for members to submit retirement documentation electronically through Contact TPT – our online service portal.
- Launching personalised video benefit statements which are now sent to all our active members along with a warm-up email campaign to help increase engagement of members with their pension savings. Whilst it's early days, initial results are positive with up to 75% open rates and high levels of engagement from members who click to play their video with 94% watching till the end.

This year our focus is to continue to refine our existing communication programme and to develop new educational content and tools to support members receive from us ensuring the content is targeted and relevant.

We're continuing to develop our email engagement programme for new joiners and have plans to implement an email engagement programme aimed at active members.

New educational content is being developed which members will be able to access through the DC website and via our member newsletters and we're looking to invest in developing new digital tools to make it easier for members.

Digital has become the way of life for many, especially under-45s, with Internet usage increasing during the pandemic – accelerating a switch to using digital services. A key strategic priority over the next year is a review of our digital propositions and to develop a roadmap that will aim to transform our digital offering over the next few years.



TPT Retirement Solutions is registered in England and Wales under company number 00744017
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