

Case Study

PCHA DB Scheme

Genesis Housing Association ('Genesis') is one of the largest Housing Associations in the UK.

Future pension provision is now provided by a defined contribution (DC) scheme. Genesis has participated in a number of defined benefit (DB) schemes, but no longer has any active members.

DB pension arrangements are regarded as a historic legacy.

One legacy DB scheme was the Paddington Churches Housing Association Pension Scheme ('the PCHA DB Scheme'), which had £40 million of assets, with 294 deferred members and 151 pensioners.

Having reviewed its options, Genesis felt there were clear advantages to transferring the assets and liabilities of the Scheme to a specialist provider under a Master Trust arrangement. The increasing regulatory burden on the lay trustees was a key concern to Genesis from a corporate governance and risk management perspective.

TPT Retirement Solutions provides a full DB solution for legacy pension schemes, providing all the services required to run a scheme, including trusteeship, administration, investment services, covenant, legal and actuarial. This 'one stop' model was very attractive to Genesis.

From 1 October 2015, a new section was set up within the Master Trust to receive the assets and liabilities of the Scheme, which are fully ring-fenced from other sections of TPT.

TPT's arrangements offer strong governance (the Chair of TPT, Sarah Smart, was voted 'Independent Trustee of the Year' in 2015, by Engaged Investor), removing the risk from Genesis and significantly reducing the amount of time Genesis staff have to spend looking after the Scheme, as well as reducing running costs.

As TPT has over £9 billion in assets, the Scheme is able to mitigate its investment risk, by participating in a wide range of alternative assets classes, whilst taking advantage of TPT's LDI solution to help control interest and inflation risk.

The transfer was project managed by TPT, involving co-ordination with Genesis and its existing scheme providers. This included the investment transition, member communication, administration, transfer of pensioner payroll together with all regulatory, legal, and actuarial requirements.

Elizabeth Froude, Executive Director of Resources at Genesis commented:

"I am delighted to see how well the transfer of the PCHA DB Scheme to TPT has gone. The exercise has been seamless and this new arrangement gives confidence to Genesis that going forward the Scheme will be well managed, with strong governance, whilst ensuring that our members receive a high quality of service."