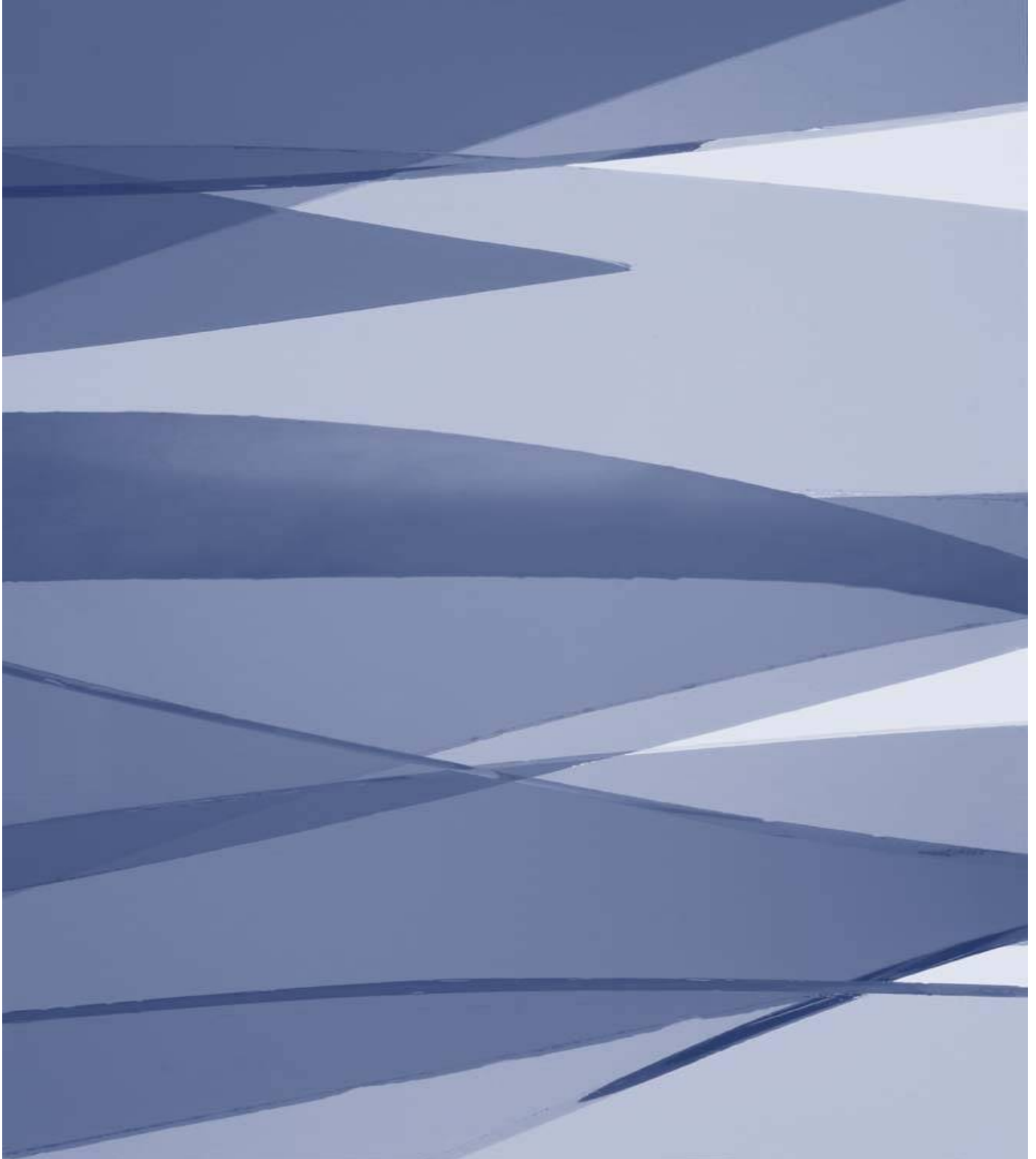


Contract based pension governance



Since the late 1980s there has been a phenomenal growth in the use, by employers, of contract based occupational pension schemes and in particular Group Personal Pension plans (or GPPs). This has been, in part, as a result of a shift away from the significant liabilities and responsibilities that go with the alternative trust based pension schemes.

A frequent consequence of this shift has been a disconnection between the key parties involved in the occupational pension scheme; the employer and the employees. The employer pays its contributions to an insurance company branded product and the employee fails to understand the often significant help their employer is giving them to build assets for their future or the bigger picture of pension saving.

This shouldn't be the case. Employers can and should look to gain employee understanding. The benefits of doing so include:

- better motivated and so more productive staff
- lower staff turn over
- easier attraction of new staff and so
- a more profitable business.

In addition, since the introduction of the Pensions Regulator in 2007, the standards of governance for contract based pension schemes have increased. The Regulator not only has jurisdiction but it has the power to intervene in that governance. The Regulator is particularly concerned with:

- lack of employee understanding
- poor administration practice
- poor investment practice
- unduly high charges and
- poor choices at retirement.

The Contract Based Pension Governance Service is designed to help an employer gain employee understanding and to comply with the regulatory standards of governance.

How the service works

We will agree with you the level of our involvement in your pension arrangement.

We will agree with you whether to establish a management committee (which could include member representation) and the constitution and powers of that committee.

We will agree with you an employee communication programme. This could include, for example, regular mailings on the pension scheme, staff workshops and presentations.

We will then take on all day to day management responsibility for the pension arrangement.

Your commitment

Your commitment depends on what you have asked us to do but can be as little as:

- to provide information on new employees or employees leaving the company
- to pay the contributions as they fall due and
- to pay the fees agreed between us.

Who we are

PTL is a team of experts in pension governance.

We act for open, closed and paid up pension arrangements. We also act for arrangements that are being wound up or are in transition from one of these to another.

We firmly believe in the importance of pragmatism and the exercise of common sense in governance. We don't forget that pension arrangements are about providing benefits (and so security) but we also remember that they work best when the employer's interests are considered.

We can act as part of an existing governance structure or we can act alone.

We have offices in London and Reading and have clients throughout the UK.

We are owned by Pitmans solicitors. This means that we have a long term outlook, consistent with pension governance.

PTL personnel are members of the Association of Pension Lawyers, the Pensions Management Institute, the Chartered Insurance Institute and the Association of Business Recovery Professionals. PTL is a member of the National Association of Pension Funds and the Association of Corporate Trustees.

We ensure that the team maintains the appropriate level of continuing professional development.

Fees

We can operate on a fixed fee or on a time cost basis (we'll always estimate how much our time cost fees will be), whichever you prefer. The level of fees will depend on how much you want us to be involved.

**To find out more**

If you'd like to find out more about this service or PTL please see our website at www.pitmanstrustees.com or contact Richard Butcher on 0118 957 0607 or rbutcher@pitmans.com.

We'd be very happy to meet with you at no charge, to find out more about you and to explain how we might help.

Pitmans Pensions Department

Pitmans is one of the leading firms of solicitors outside London offering, amongst other services, specialists pension-related legal services. The Firm acts as legal advisor to employers and to trustees of a variety of pension schemes ranging from small executive pension arrangements through to the schemes of publicly quoted companies.

More information can be found on our website www.pitmans.com