Suitability report for The People’s Pension

Why choose The People’s Pension?

There are many reasons why The People’s Pension (‘the Scheme’) will be a suitable workplace pension provider and/or automatic enrolment solution for an employer. Every employer has different requirements for a workplace pension, so you can match the information in this document about the Scheme’s features and benefits to the employer’s needs as appropriate.

Please feel free to use the content in this document within any reports, and as part of your decision-making process, as an easy way to put forward your recommendation of The People’s Pension.
Who is behind The People’s Pension?

The People’s Pension is a multi-employer workplace pension scheme (also known as a master trust) founded and administered by B&CE. It was launched in 2011 as a product specifically tailored to deal with pensions automatic enrolment. The Scheme is run by an independent trustee, which has a legal duty to act in the best interests of the members.

Although The People's Pension is relatively new, it is administered by B&CE, which has over 70 years’ experience of providing financial benefits to its members on a not-for-profit basis. The default investments of The People’s Pension are managed by Legal and General Investment Management. All funds are chosen and monitored by the Trustee.

B&C&E’s not-for-profit status means that there are no shareholders, so any surplus is used for the benefit of its members. As at 31 March 2015, B&CE manages assets of £2.5 billion for 2.8 million members and has over 14,000 corporate customers, both large and small. Its systems are highly scalable and are based on its considerable experience of providing financial benefits to the construction sector. It has been operating a form of automatic enrolment for over 10 years.

For the last three years, B&CE has been rated by AKG as ‘strong’. AKG is an actuary-based organisation specialising in the provision of information, ratings and consultancy to the financial services industry.

What is The People’s Pension?

The People’s Pension is one of the UK’s largest automatic enrolment vehicles and, as at 31 March 2015, has successfully automatically enrolled over 1,300,000 individuals through 5,200 employers.

The focus of The People’s Pension is on the simplicity of the product, engagement with the employee and support for the employer.

Members build up their own pension pots which are invested for their retirement. Members can choose from three lifestyle profiles and seven self-select funds. There is no charge for switching funds. The balanced investment profile is the default investment choice.

There is a single Annual Management Charge (equivalent to Total Expense Ratio) of 0.5% levied on members’ funds. This charge covers administration and asset management costs, along with costs of all employee support provided. No other charges apply, even on transfers in or out of the Scheme.

Employers, or advisers on the employer’s behalf, can easily sign up to The People’s Pension online. The online sign-up process is truly flexible, allowing the employer to set up their own section of the Scheme. There is a one off set-up charge for employers of £500 plus VAT, with reduced charge of £300 plus VAT for those who sign up with a financial adviser, construction federation, or other authorised colleagues.

Each employer’s section of the Scheme can accommodate multiple payrolls and different contribution bases for different groups of employees, adjusting elements such as pensionable pay, eligibility and contribution rates.

The quality of The People’s Pension has been recognised through various industry awards*. Furthermore, The People’s Pension holds the pension industry-leading Pension Quality Mark READY, which requires best practice standards on pension scheme governance, charges and communications to be met.

In September 2014, The People’s Pension was also the first master trust to obtain independent assurance of scheme quality in accordance with the Institute of Chartered Accountants of England and Wales’ (ICAEW) assurance framework for master trusts. The independent assurance framework was developed by the ICAEW and The Pensions Regulator as a quality standard to enable trustees of master trusts to demonstrate high standards of scheme governance and administration. You can view the full report on the B&CE website.

Switching to The People’s Pension

For sponsoring employers or Trustees looking to switch providers, The People’s Pension operates a robust and efficient switching process. Any new account will be set up within five working days of receiving completed documentation and The People’s Pension provides communications to help inform employees about the switch in provider.

Transferring to The People’s Pension

The People’s Pension can accept group transfers from defined contribution (DC) schemes, whether trust-based or contract-based, as well as from individual members. There is no minimum or maximum size of transfer. The People’s Pension will provide communications to help members understand the process and management documentation once the transfer is complete.

Group transfers can be carried out using The People’s Pension or an adviser’s direct offer process. In all cases, The People’s Pension will manage the transfer of pension funds and provide management information on completion.

What support is provided?

The People’s Pension has robust online portals for employers so they can effectively manage their section of the Scheme. In addition, employees can also manage their pension account(s) online.

If an adviser is involved in the process, they can tailor the support they give their employer clients by managing their schemes on their behalf, as well as being able to give online access to clients or other authorised colleagues.

All of the Scheme administration is done in-house and adheres to rigorous Service Level Agreements (SLAs). B&CE has an outstanding service record which is closely monitored by the Trustee.

The UK based customer service teams provide comprehensive support and services. The member-facing, UK based, award-winning* helpline is open daily, including evenings and weekends.

The People’s Pension links with most payroll software simplifying the sending of employee data to the Scheme. A suite of clear and engaging member communications, in a variety of formats, is provided which employers can use to tell their employees about automatic enrolment, switching or transferring to The People’s Pension. Joining information is sent to all new members at no cost to the employer.

In order to assist with the employer’s governance processes, management information reports are available to employers and advisers releasing information on the workforce applicable to their section of the Scheme.

* B&C&E as provider of The People’s Pension has won a number of awards including Auto-enrolment Provider of the Year (UK Pensions Awards 2013 and 2014) and Best DC Master Trust (Pension and Investment Provider Awards 2013 and 2014). The customer helpline has won several awards from the ‘League of Excellence’ including topping a ‘mystery shopper’ survey (2013 and 2014) and an award for ‘Outstanding Product Knowledge’ (2014).
In summary, The People’s Pension offers the following:

- An award-winning workplace pension provider and automatic enrolment solution
- An award-winning UK contact centre, open every day, including evenings and weekends for members
- Clear and engaging communications to use with employers and their employees
- Flexible options to provide employee payroll data
- Expertise in dealing with complex payrolls, small pots and multiple employers
- A simple transfer process
- An annual management charge of just 0.5%
- An independent Trustee board ensuring strong governance
- The first master trust to obtain independent assurance of scheme quality

Winning awards across the board

Defaqto 5 Star Rating for auto-enrolment
Winner of DC Provider of the year 2014
Winner of Outstanding Product Knowledge 2014
Winner of Mastertrust Provider of the year 2014
PQM Ready 2013

Need more information?
Visit www.thepeoplespension.co.uk

The information in this document is correct as at November 2015 and may be subject to change.