



It's a matter of trust!

Master trusts had until the end of March 2019 to apply for authorisation with The Pensions Regulator (TPR). TPR has stated that authorisation would, “increase the quality of master trust products and providers and therefore increase protection for members”.

Each master trust will need to demonstrate that it meets the required standards across the following criteria:

- ✓ Fit and proper – all key role holders
- ✓ Systems and processes – IT functionality and appropriate controls
- ✓ Continuity strategy – supporting members now and in the future
- ✓ Scheme funder - audited accounts to be provided
- ✓ Financial sustainability – costs, assets and a liquidity plan, including a business plan

Given the scale of the task, a number of providers have already applied to TPR for an extension of the deadline of up to 6 weeks. NOW Pensions is confirmed as one of these.

Professional Pensions and TPR research confirmed the following as at 3 April 2019:

- 3 Master Trusts authorised
- 10 Master Trusts granted an extension
- 14 yet to declare if they want to continue
- 34 triggered their intention to exit from the market
- 9 exited
- 27 applied for authorisation

The latest to exit, Welplan Pensions, stated this had been brought about by ‘cost prohibitive’ regulation. However, this has currently left their 1,900 participating employers without a transition plan to a new provider, creating substantial uncertainty for members.

At Pannells we feel that now is the time for employers to review their pension provider and ensure that where appropriate, they are prepared to embrace these important changes so that all workers benefit from ‘good outcomes’ and better pensions.

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The views and opinions expressed in this document are based on our understanding of current legislation and could change in the future.
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