

PPF Services

Barnett Waddingham has been providing specialist PPF services since the inception of the PPF in 2005.

Managing a pension scheme through a Pension Protection Fund (PPF) assessment period is a challenge that is being faced by an increasing number of schemes. There are complex technical issues to address whilst minimising the time taken to complete the assessment period. In addition, trustees and advisers need to communicate effectively and sensitively with members who may be worried about their pensions.

Experience

Providing a quality service to our clients has been one of the drivers of Barnett Waddingham's success and our PPF services are no exception.

Barnett Waddingham has a specialist and dedicated team of experienced individuals who have helped guide and assist numerous sets of trustees through the assessment period. We were instrumental in achieving the successful transfer to the PPF of one of the first and largest schemes to enter an assessment period.

Our aim is to make sure that schemes transfer as quickly and efficiently as possible, within PPF targets. We work closely with the scheme's PPF caseworker and the trustees, ensuring progress in line with the project plan. Effective project management, meeting budgets and timescales is understandably becoming a key issue for the PPF. However we never lose sight of the ultimate customers – the scheme members.

OUR PPF SERVICES

We provide the full range of services as required by trustees and the PPF. This covers key areas including:

- Actuarial and consultancy
- Administration
- Investment consultancy
- Discharging defined contribution benefits
- Managing the assessment period
- Member communications and helpline
- Data and benefit audits
- General advice

Further information on our services is shown overleaf.



Working together – key features of our service

- Tailored service for specific scheme circumstances and trustees' requirements
- Project management through the assessment period and liaison with other advisers as appropriate
- Working together with other specialist teams to provide a seamless service
- Close relationship with the PPF, helping to shape PPF policy and refine the assessment period process

OUR PPF SERVICES

Actuarial and consultancy services

Our actuarial team has wide ranging experience of assessment period issues, including some that are currently unique, and is able to provide support to other advisers and trustees on the more technical issues.

Consultancy issues can be varied ranging from multi-employer complications, legal matters such as equalisation, benefit uncertainty and remedial data work. Of course, project management is a key part of the process.

There are a number of routine actuarial tasks that are required during the assessment period, the most important ones being:

- calculation of “debts on employers” following insolvency events, where deemed to be required
- preliminary assessment of whether PPF entry is likely or whether the scheme will wind up outside the PPF
- Section 143 entry valuation.

Administration services

The administration function is critical during the PPF assessment period. Benefits need to be capped against compensation levels early in the process and any overpayments since the start of the assessment period need to be recovered, taking account of understandable member sensitivities. Records of normal scheme entitlements also need to be maintained in parallel with PPF compensation amounts in case the scheme does not ultimately fall into the PPF and also to calculate the employer debt.

Our dedicated PPF administration team works solely on PPF cases to ensure full attention is given to meeting the PPF assessment period timescales whilst maintaining the highest standards of accuracy and delivery.

Investment consultancy

It is important to understand the nature of the liabilities and the scheme’s specific circumstances so that an appropriate portfolio can be constructed. Merely moving to fixed-interest or index-linked instruments is not always appropriate. There may be specific issues such as disinvestment costs and affordability of buyout. Our specialised investment consulting team is ideally placed to advise on all the relevant issues. We will review the position early and make appropriate recommendations to the trustees so they can take timely action to maximise the position of the scheme members.

Discharging defined contribution (DC) benefits

Many schemes have money purchase AVCs (Additional Voluntary Contributions) and some have separate money purchase sections. All of these DC benefits, including any pensions in payment arising from DC funds, must be secured outside the PPF.

We have a specialist DC team experienced in advising trustees on the most appropriate way to discharge (often very small) DC benefits and liaising with relevant insurance companies to achieve this. We can also provide annuity services to secure pensions that were derived from DC funds.

Managing the assessment period

We have a thorough understanding of the PPF process and can manage this for trustees through the assessment period. We work closely with trustees and the PPF to put a detailed project plan in place, aiming to achieve transfer to the PPF within the PPF targets.

Member communications and helpline

Communicating effectively with members is an important part of our service. By focusing purely on PPF work, our administrators understand the particular worries that members may have and are trained in dealing with these concerns sensitively. We can help with drafting communications and can provide a dedicated helpline and/or website for dealing with members’ questions and concerns.

Data and benefit audits

An important part of the assessment period is to ensure that the data is clean and the benefits have been calculated correctly. We perform a series of rigorous exercises early in the process to cleanse the data and verify the benefit calculations, providing reports on our findings to satisfy the PPF’s requirements and reassurance to the trustees.

We can be appointed to provide data and benefit audits as one off exercises. This can be helpful to ensure a non-related party objectively assesses the data.

General advice

We are here to help. Whether or not we are appointed to provide full services we can advise on general matters or particularly difficult issues.

Specialist software

Our systems have bespoke features designed to manage specific PPF processing requirements. These also allow us to monitor progress against the project plan and agreed budgets and ultimately achieve the smoothest possible route for the transition to the PPF or insurance company.

For further information

For further information about our PPF services, please see our website or contact:

Robert Hawkes, John Cornell or Kerry O’Shea

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