Master trust authorisation

**Implementation strategy template**

November 2018 

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| **Using this template** |
| This template sets out the key points and information we expect you to provide in an implementation strategy. An implementation strategy is a document setting out how the interests of members of the scheme will be protected following the occurrence of the triggering event.   An implementation strategy must be submitted before the end of 28 days beginning with the following dates:   * For triggering events 1, 2, 2A and 3: the date that the decision to withdraw or refuse the scheme’s authorisation becomes final, or * For triggering events 4-10: the date the triggering event occurred.   When preparing your implementation strategy, you should refer to the following documents:   * Code of Practice no. 15: Authorisation and supervision of master trusts [[www.tpr.gov.uk/document-library/codes-of-practice/code-15-authorisation-and-supervision-of-master-trusts](https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice/master-trust-authorisation)] * Guidance on identifying and notifying a triggering event [<https://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/supervision-of-master-trusts/master-trust-triggering-events-and-authorisation>] * Guidance on complying with the charges prohibition [<https://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/supervision-of-master-trusts/master-trust-triggering-events-and-authorisation/complying-with-the-charges-prohibition-during-a-triggering-event-period>] * Guidance on continuity options [<https://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/supervision-of-master-trusts/master-trust-triggering-events-and-authorisation/pursuing-a-continuity-option-during-a-triggering-event-guide>] * Pensions Act 2017 (in particular, sections 26-29) [<https://www.legislation.gov.uk/ukpga/2017/17/contents>] * Occupational Pension Schemes (Master Trusts) Regulations 2018 (in particular, regulations 17 to 20 and Schedule 5) [<https://www.legislation.gov.uk/uksi/2018/1030/contents/made>]   Detailed plans can be included as appendices with summaries provided in the appropriate sections.  You can complete this form:   * electronically using Adobe Reader (version 8 and above) and emailed to [regulatorytransactions@tpr.gov.uk](mailto:regulatorytransactions@tpr.gov.uk), or * by hand (please use block capitals), printed and posted to Regulatory Transactions, The Pensions Regulator, Telecom House, 125-135 Preston Road, Brighton BN1 6AF.   Please note that we will use the information provided in exercising our functions and may contact you for further information. |

## Scheme details

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| **Scheme name** |  | | |
| **Pension scheme registration number (PSR)** |  | | |
| **Name of person submitting this implementation strategy** |  | **Role in relation to the scheme** |  |

## Triggering event details

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| **Date triggering event occurred** | (Insert date on which the triggering event occurred or became final) |
| **Type of triggering event** | (This is the triggering event you reported to us to which this implementation strategy applies) |
| **Date TPR notified** | (Insert date when TPR was notified of the triggering event) |
| **Date employers notified** | (Must be within 14 days of the triggering event occurring) |
| **Analysis of risks to members’ benefits of this triggering event** | |
| (Please provide a summary assessment of the risks and impacts to members as a result of the triggering event, including any mitigation put in place to address these risks. You can attach further details in an appendix). | |
| **Analysis of disruption to employer AE duties of this triggering event** | |
| (Please provide a summary assessment of the risks and impacts to participating employers being able to meet their AE duties, including any mitigation put in place to address these risks. You can attach further details in an appendix). | |

## Pursuing a continuity option

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| **Which continuity option is being pursued?** |  |
| **What is the rationale for pursuing this continuity option?** | |
| (Please provide a summary of the factors and issues considered, including your reasons and an explanation as to why you believe the chosen option is in the interests of members. In the case of triggering events 1-3 you may only pursue continuity option 1, therefore a short statement as to this fact will be sufficient). | |
| **Analysis of risks to member benefits of pursuing this continuity option** | |
| (Please provide a summary assessment of the risks and impacts to members as a result of the triggering event, including any mitigation put in place to address these risks. You can attach further details in an appendix). | |
| **Analysis of disruption of employer AE duties in pursuing this continuity option** | |
| (Please provide a summary assessment of the risks and impacts to employers being able to meet their AE duties, including any mitigation put in place to address these risks. You can attach further details in an appendix). | |

## Planning to implement the continuity option

* If you are pursuing a transfer and wind-up (continuity option 1), you should complete section 4(a).
* If you are seeking to resolve the triggering event (continuity option 2), you should complete section 4(b).

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| 4(a) **Continuity option 1: transfer and wind-up** | |
| **Please provide details of the default receiving scheme(s) proposed by the trustees (if known), or set out the approach for identifying this scheme and the date this is expected to be achieved by the trustees:** | |
| We expect trustees to identify a receiving scheme or schemes, which must be authorised master trusts, and which are or would be automatic enrolment scheme for transferring members, within six weeks of the triggering event occurring.  You must tell us about the main decisions and actions that will be taken, including the person responsible and timescales for taking them. In relation to the receiving scheme, we expect you to include the following information:   * Whether you will seek financial, investment, legal or any other advice, and on what matters. * How you will identify a default receiving scheme(s) that is aligned (to the extent possible) to the master trust’s current statement of investment principles (SIP). * How you will seek to secure the benefits of members that are already in retirement or decumulation, including draw-down. * What due diligence will be conducted to ensure the receiving scheme(s) is/are appropriate. This should include consideration of charges, investments, governance and value for money.   To the extent known, you should also provide us with the following:   * The name of the proposed receiving scheme(s). * The PSR of the proposed receiving scheme(s). * Whether the receiving scheme(s) is/are each an authorised master trust. * Whether the receiving scheme(s) is/are each (or would be) an AE scheme in relation to transferring members. * Whether the receiving scheme(s) is/are each able to accept deferred and pensioner members. | |
| **Please provide details of any other pension vehicle you intend to use, including your reasons for this. Please note the following:**   * An alternative retirement vehicle can only be used where you cannot identify an appropriate authorised master trust to transfer a member’s accrued rights and benefits to. * Any alternative vehicle must be an arrangement consisting of one or more policies purchased by one or more issuers authorised by the FCA, offering suitable benefits comparable to those held by the member in the transferring scheme. * You must notify members before making alternative arrangements. | |
| Where this section applies, we expect you to provide a summary of the following:   * The steps taken to identify an authorised master trust and the reasons for concluding that no appropriate master trust is available to transfer rights and benefits to. * How members will be notified. * What due diligence you will conduct to ensure any alternative is suitable. * To the extent known, details of the insurer(s) and policies chosen, along with how they offer comparable benefits to those in the transferring scheme. This should include consideration of charges, investments, governance and value for money. | |
| **Please provide details of how you will transfer members out of the scheme.** | |
| You must set out your plans for the following:   * Ensuring scheme level assets are reconciled with assets held at the member level. * Transferring members assets, for example whether this will be an in specie transfer or cash transfer, as well as how the trustees will ensure the transfer is secure. * Outstanding contributions due from employers and members. * Maintaining the integrity of members’ records – this will involve data reconciliation and member tracing exercises before the transfer takes place.   You must also provide details on the following:   * How they will comply with any legal requirements. * How investments will be managed – for example, the timescales and costs for disinvesting assets, and whether there are any matters you will seek investment advice on. Where you have any uninvested or un-reconciled contributions, we expect you to set out your plan for dealing with these. * How the scheme’s administration can continue and how you will implement the continuity option. For a transfer and wind-up, this will include, for example, how the handover from your current administrator to the receiving scheme administrator will be managed, including how you will handle any termination clause and transitional arrangements for ceasing relationships with service providers. * How you will support employers and members in understanding their options, and ongoing duties. * Whether any additional resources are needed to pursue this option. | |
| **When do you expect ongoing contributions to cease?** |  |
| **By what date do you expect to have transferred members out of the scheme?** |  |
| **By what date do you expect to have wound up the scheme?** |  |
| **Please provide details of any the other steps to ensure the scheme is wound-up** | |
| This should include consideration of preparation of final accounts, notices in the London Gazette, runoff insurances, deeds, HMRC reporting and de-registration. | |

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| **4(b) Continuity option 2: resolve the triggering event** |
| **Please provide a summary of how you intend to resolve the triggering event:** |
| You must include details of the main decisions and actions that will be taken in relation to the continuity option being pursued, the person responsible and the timescales associated with those decisions and actions. For resolving a triggering event, we expect this to include the following:   * The parties (if any) that the scheme will be engaging with to help reach resolution of the triggering event. * Any changes to or additional service providers you will need to resolve the triggering event. * How you will address any legal requirements arising from the triggering event or pursuit of continuity option 2. * The key risks identified in the resolution process. * The key dependencies to successful resolution. * How you will plan to rebuild financial reserves after addressing the issue that brought about the triggering event. * Details of how data will be reconciled. |
| **Estimated length of time in which you expect to resolve the triggering event:** |
| This should outline the length of time in which you expect to address the issue(s) that brought about the triggering event, the length of time expected to rebuild financial reserves, and the expected dates on which these actions will be completed. |
| **When do you need to switch to pursuing continuity option 1?** |
| How long you can attempt to resolve a triggering event is part dependent on the level of scheme income and financial reserves they have access to. The trustees should retain access to enough income and financial reserves to complete a transfer and wind-up in case it becomes clear that resolution is no longer possible, or in case a further triggering event occurs that requires you to automatically transfer and wind-up.  We expect you to set out how you have considered the following:   * The level of financial reserves and income you have access to. The cost of running on for the scheme during a triggering event. * When you will need to take the decision to switch to continuity option 1. * Whether there are critical milestones that, if not met, are more likely to result in pursuing continuity option 1. * When you will need to begin pursuing continuity option 1 in order to transfer members out and wind up the scheme. |

## Keeping your scheme running throughout the triggering event period

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| **Running the scheme during a triggering event period** |
| **Please provide a summary of how you intend to continue to run the scheme during the triggering event period.** If you are including detailed plans in an appendix, please ensure your narrative summary here references your plans appropriately. |
| You must set out the following:   * How you will maintain the scheme’s administration throughout the triggering event, for example whether you will need additional resource to manage increases in employer and member queries, or how you will ensure core financial transactions continue to be processed promptly and accurately. * How you will comply with any legal requirements, including ongoing statutory duties that continue to apply, for example producing the annual chair’s statement. * How you will comply with the prohibition on accepting new employers and, where the scheme is used as an automatic enrolment (AE) scheme, a plan for dealing with employers in the process of staging or re-enrolment. * If you identify any employers that are likely to breach their AE duties as a result of the triggering event and/or continuity option being pursued, you should set out any steps you will take to help employers meet their AE obligations. * Your plan for managing investments during the triggering event period. * Your plan to retain service providers during the triggering event period. * Your plan on how data integrity is to be maintained during the triggering event period. * Your plan for dealing with outstanding employer and member contributions. |

## Communication

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| **Communications plan** |
| **What information will you communicate to members about the continuity option being pursued and why have you chosen to communicate this?** |
| (Outline the information you’ll include in first notice to members, and the information you’ll include in the second notice). |
| **What are the key milestones to be communicated to members?** |
| (This may include other member communications, for example – when contributions will cease and be passed on to the receiving scheme) |
| **What information will you communicate to employers about the continuity option being pursued and why have you chosen to communicate this?** |
| (Include information communicated to employers within 14 days of the triggering event, and information to be included in further notices to employers). |
| **What are the key milestones to be communicated to employers?** |
| (This may include other employer communications, for example – date contributions will cease and date of the expected transfer). |

## Costs and funding of running the scheme during a triggering event period and pursuing your chosen continuity option

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| **Costs** |
| **Please provide details of how you will fund the steps identified in the implementation strategy, including the plan for calling on financial reserves to cover costs** |
| In setting out how costs are to be met, we expect you to set out the following:   * The costs of continuing to run the scheme during the triggering event period, and how it will be funded. * A breakdown of projected costs and income on a month-by-month basis, for the expected duration of the triggering event. * What the compliance costs are for pursuing the continuity option, and how this will be funded. * Whether any additional resource will be needed to carry out the continuity option, and if so, what this will cost and how it will be funded. * The available financial reserves available within the scheme’s Cost, Assets and Liquidity Plan (CALP). * You should explain the reasons for estimates and/ or assumptions used in setting out costs. |

## Statement of administration charges

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| **Administration charges** |
| (You must include your calculation of the levels of administration charges (fixed charge levels) with your implementation strategy for the purpose of demonstrating compliance with the restrictions on charges that apply during the triggering event period).  Further guidance on how to do this can be found at <https://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/supervision-of-master-trusts/master-trust-triggering-events-and-authorisation/complying-with-the-charges-prohibition-during-a-triggering-event-period>. |

## Timeline

Based on the summaries above and any detailed plans you have provided, please provide the timeline of key decisions and actions to be taken, those responsible, and the start and end dates (or expected start and end dates) for each milestone, decision and action.

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| **Timeline of key milestones, including decisions and actions to be taken** | | | | | |
| **Ref. No.** | **Task** | **Who is responsible for doing this?** | **Start date/ expected start date** | **End date/ expected end date** | **Comments** |
| *eg*  *001* | *Projection Initiation* |  |  |  |  |
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