



Pension scheme discontinuance Wind up, PPF assessment and associated services

Experts in discharging trustees of their scheme liabilities

Many defined benefit (DB) pension schemes are discontinuing. This may be as a result of a voluntary wind up or through an employer insolvency event leading to a PPF assessment. Wind up is complex and trustees should not underestimate the magnitude of the tasks involved. The Pensions Regulator directs that the key tasks should now be completed within two years.

Prior to full discontinuance, many ongoing schemes are choosing to undertake risk reduction processes such as Enhanced Transfer Values (ETV's) and partial buy outs, as well as preparatory discontinuance tasks including reconciliation of Guaranteed Minimum Pensions (GMP), equalisation of GMPs, data quality assessment and cleansing.

Xafinity have extensive experience in the successful and cost effective discontinuance of schemes.



"Xafinity allocated a scheme owner, who was the main point of contact throughout the process and effectively managed the wind up. The Trustees and the Sponsoring Employer were kept fully informed and received a monthly progress report. Overall both the Employer and the Trustees were very pleased with the professional and efficient service they received from Xafinity Paymaster."

John Cullen, First Actuarial, Discontinuance, June 2010

"I worked on a project with the Stirling Xafinity Paymaster discontinuance team for approximately eighteen months. Throughout that period they demonstrated the utmost professionalism, extensive pensions knowledge, a level of project management that could not be equalled on other projects that I was responsible for, the highest level of clarity and presentation in their written and verbal communication and, an unrivalled strength in developing and utilising ICT facilities to deliver and enhance the clients requirements."

Graham Bowtle, PPF Caseworker, October 2010

Challenges of wind up

The challenges in winding up schemes within the two year timeframe should not be underestimated. The complex interdependency of tasks can lead to overrun in time and cost. Trustees will wish to avoid any personal liability and need to be satisfied that all the required processes are complete and member liabilities have been fully discharged in line with the Trust Deed and scheme rules.

Our approach to wind up is designed to give maximum confidence to trustees through diligent planning and execution.

Our wind up services include:

- Review of scheme rules in advance of a wind up leading to draft rule amendments
- Implementing a protocol between the employer and trustee to deal with common issues in advance
- Detailed wind up project plan and timetable for trustees
- Member communication service including the initial announcements, member options exercises, benefit entitlements and member tracing
- Data preparation such as member reconciliation, GMP reconciliation and GMP equalisation
- Support for buy out exercises using our template developed with leading insurers to allow accurate quotations and effective handover of administration
- Dealing with HM Revenue & Customs (HMRC) and The Pensions Regulator to enable trustees to meet their statutory requirements.

Leading expertise

Our dedicated discontinuance teams have experience gained from successfully completing over 50 pension scheme wind ups and PPF assessments in the past three years. We are also progressing a range of schemes qualifying for the Financial Assistance Scheme (FAS) which share similar processes to PPF assessment.

The market leading processes and systems used to tackle the intricacies of discontinuance are continuously updated and our business process manuals are compliant with ISO9001:2008.

As a result we can deliver an efficient, high quality and cost effective service for all the parties involved.

The Xafinity solutions

We have developed a range of innovative solutions and relationships to serve our clients.

Xafinity's market leading Compendia platform provides real time management reporting to track progress and keep clients informed at all times.

Clients benefit from time saving and efficiency strategies developed through our close relationships with scheme cessation at HMRC, NI Services to the Pensions Industry (NISPI) and leading buy out insurers.

Our team are highly experienced, including qualified pension administrators, technical experts and documentation staff. They are supported throughout by specialist actuaries who ensure the best possible financial outcomes.

**For more information on how Xafinity can help call: Steve Nicholson on 01786 434 252
Email: steve.nicholson@xafinitypaymaster.com Visit: www.xafinitypaymaster.com**



PPF assessment

Many independent trustees recognise the challenge in completing PPF assessments within the two year timescale and within budget. However, they may often rely on the existing administrator to take on the new additional specialist tasks and this can lead to targets being missed and cost overruns.

Xafinity have gained extensive experience of PPF assessment work which has allowed us to develop a market leading approach including:

- A flexible project plan
- PPF assessment administration manual
- Conversion Assessment engines which guarantee the accuracy of calculations whilst dramatically reducing unit times to complete assessment tasks
- Member communication mediums
- Automated creation of standard data interface files.

Our processes are scalable to handle schemes with thousands of members and our transition processes enable the smooth take-on of payroll and administration services.

Xafinity Pensions Trust (XPT)

XPT is a new innovative and cost effective solution for discharging DC benefits.

It is a trust to hold DC benefits under a strong centralised compliance and governance framework incorporating a range of specialist investment strategies. It can be delivered at a cost more usually associated with contract type arrangements but better protects the value and shape of members' benefits. It is particularly well suited to PPF assessment schemes which are often not yet in wind up so limiting the DC discharge options available.

"We were delighted with the service provided by Xafinity Paymaster as they responded to demanding data requirements within tight timescales to ensure a smooth transfer to the FAS centralised fund."

Emma Hanley, Temple Trustees Limited,
first scheme transfer to FAS centralised fund, August 2010

Independent benefit audits

Xafinity have experience of a very wide range of benefit designs. We offer an independent benefit audit service that meets the latest PPF requirements with well thought out and easy to understand reports. The service may also be used as part of an ongoing risk management strategy.

Secretarial services to trustees in discontinuance

Newly appointed independent trustees may wish to appoint a secretary to the trustees with specific experience of PPF assessment of FAS work. Xafinity can provide specialist secretarial services to trustees at cost effective rates.

DataSure

Accurate data is essential for cost effective buy outs, transfer to the PPF and transfer to the FAS. The Pension Regulator has emphasised the importance of high quality data and issued new standards to help improve the accuracy of new and legacy data.

DataSure produces ongoing reports to assess accordance with the Pension Regulator's guidelines. The process we have established helps Trustees understand the quality of the data currently held, allowing them to better assess and proactively plan how they can address issues over the coming months or years.

Why choose Xafinity?

Xafinity's discontinuance services are **competitively priced**, **extremely scalable** and **proven** on a very large number of diverse discontinuance projects undertaken for large scheme trustees, life offices and larger Independent Financial Adviser (IFA) firms.

Xafinity experience in scheme exit management, closure and wind up is extensive:

- Offering specialist exit management consultancy and through the unique Model Solutions platform an unprecedented level of asset and liability modelling to trustees and employees
- Delivering the UK's market leading pension administration platform, Compendia, which has won prestigious industry awards five times out of six years
- Providing professional trusteeship through the independent HR Trustees a long term leader in trusteeship services for scheme wind ups.

"Based on ITS's experience of dealing with the Xafinity Stirling Discontinuance team I would have no hesitation in endorsing it for Assess & Pay work. Indeed the level of commitment, competitive pricing, technical excellence and quality of delivery demonstrated on the Visteon case is such that I would endorse the Stirling team for all forms of PPF assessment period work."

Chris Martin, Managing Director of Independent Trustee Services, November 2010



Xafinity is one of the UK's leading specialist providers of pension, employee benefits and payments expertise, with 170 years' experience.

The group provides consulting, software, resourcing, training and business process outsourcing services that enable public and private sector organisations to deliver employee benefits more efficiently.

At the 2010 UK Pension Awards Xafinity was recognised as Pension Software Provider of the Year for the fifth time in six years. At the Pension and Investment Provider awards in 2010 Xafinity won Best Pension Administration Software and in 2009 were voted the best Third Party Administration Provider. Xafinity is the accredited software supplier to the UK Principal Civil Service Pension Scheme.

With 1,300 people nationwide, Xafinity has operational and relationship management centres across the UK, in Bath, Belfast, Cardiff, Crawley, Farnborough, Fleetwood, Leeds, London, Manchester, Preston, Reading, Stafford, Stirling, Waterlooville and Worcester.

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