



PRESS RELEASE

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PASA Publishes Master Trust Transition Guidance as Further Consolidation Expected

Earlier this year, The Pensions Administration Standards Association (PASA), the independent body dedicated to driving up standards in pensions administration, invited key individuals from across the industry with wide ranging DC expertise to work together to provide guidance around master trusts - creating the Master Trust Transition Working Group (MTTWG). Today the MTTWG has published its first guidance on DC Master Trust Transition.

Transitions of members to and from DC master trusts could happen for many different reasons, but the guidance focuses on the two most common scenarios:

- Master trust to master trust where 'Continuity Option One' is being followed
- Single employer DC trusts to master trust

David Porter Chair of MTTWG commented: "Auto enrolment led to a surge in new DC master trusts. Concerns about how they would all provide good outcomes for members led to a raft of new of regulation such as the Pensions Regulator's (TPR) authorisation regime and ongoing supervision being put in place to safeguard member savings.

"As a result, these DC master trusts have a high standard to meet, and rightly so. They must ensure high governance benchmarks and new financial reserving requirements. Beyond financial and operational aspects there are also requirements around how one DC master trust transitions to another. This is central to our guidance."

Tracy Weller, Board Sponsor to the MTTWG, acknowledges this and commented: “The pace of consolidation continues to build, even more so now with a positive nudge from the TPR for market consolidation and for underperforming DC schemes to consider moving to DC master trusts. Once we’re in a post authorisation environment, market dynamics will also come into play. More individual employers are likely to move between these DC master trusts and more single employer DC schemes will transition to one of the authorised master trusts. Our guidance will support trustees and the wider industry as the market continues to change, evolve and consolidate.”

The Pensions Regulator said: “We welcome PASA’s guidance which sets out the practical steps trustees and administrators should take to protect savers when managing a transfer. Authorisation is putting safeguards around master trusts, giving reassurance to trustees of both exiting master trusts and consolidating single-employer DC schemes transferring their members into these schemes. Prioritising data as well as putting savers and employers at the heart, including keeping them informed, is key to a successful transfer and continuing confidence in pensions.”

The guidance can be found [here](#).

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Notes To Editors

The Pensions Administration Standards Association (PASA) has been created to provide an independent infrastructure which will set, develop, guide and assess administration standards.

PASA will act as a focal point and engage with industry and government to create protocols for understanding good administration - but also appreciates there is no one size that fits all. PASA will develop evidential accreditation practices which will allow benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA will focus on three core activities.

1. Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
2. Publishing guidance to support those standards
3. Being an independent accreditation body, assessing the achievement of good standards by schemes (regardless of provider)

There is no organisation providing such services across schemes, yet there is a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, scheme members and regulators.

About PASA Accreditation

PASA Accreditation is open to all corporate members of PASA (DB, DC, trust-based and contract-based schemes). PASA Accreditation is granted following an independent evaluation and assessment process, which includes on-site visits and the review of documentation to evidence controls, procedures, process, staff development and contractual positions with clients.

Full details on PASA can be found by visiting www.pasa-uk.com.

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