



Department  
for Work &  
Pensions

# DB Master Trust Certificate

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## Stoneport Pension Scheme

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**Completed by** Stoneport Pensions Management Limited  
11 Strand  
London  
WC2N 5HR

**Date completed** 23 November 2021

**Contact details**  
info@stoneport.co.uk www.stoneport.co.uk

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**Important note**

The purpose of DB Master Trust Self-Certificates is to summarise factual information about a DB Master Trust. This Self-Certificate has been completed by the entity noted above. The information presented has not been audited, verified, or otherwise checked by any third party. The Self Certificate is not intended to provide comprehensive information about the DB Master Trust. Parties considering DB Master Trusts remain responsible for carrying out appropriate investigations, obtaining relevant information directly from relevant DB Master Trusts, and seeking appropriate professional advice in advance of making any decision. See "About this Self-Certificate" at the end of the document for further information.



<b>Scheme</b>	<b>Stoneport Pension Scheme</b>
<b>HMRC and TPR registered</b>	Yes
<b>Provider</b>	Stoneport Pensions Management Limited
<b>Structure</b>	
<b>Sectionalisation</b>	Sectionalised master trust until at least 31 December 2022, when it becomes a non-sectionalised (or centralised) master trust
<b>Employer covenant</b>	Preserved on transferring in, strengthened on becoming a centralised scheme
<b>Benefit structure</b>	Based on transferring scheme, but some small changes may be required on becoming a centralised scheme
<b>Governance and Advisers</b>	
<b>Trustees</b>	The current trustees are Stuart Southall (a professional independent trustee, employed by Punter Southall Governance Services Limited), John Battling and Will Wolfenden. At the trustees' meeting held on 8 November 2021 it was agreed that John and Will are to be replaced by two professional independent trustees from firms on the Pensions Regulator's register of independent trustees. Further information on the trustees can be found <a href="#">here</a> . The Trustees chosen to replace John and Will have been selected by Stoneport Pensions Management Limited and Stoneport Pension Alliance, the Principal Employer, following a full market review and tender process.
<b>Trustee appointment</b>	Once Stoneport has 5 employers, the Stoneport Pension Alliance has power to appoint 2 of the trustees. Once Stoneport becomes a centralised scheme the employers participating in Stoneport may also, should they wish to do so, replace Stuart.
<b>Other governance processes</b>	The employers participating in Stoneport each become a member of Stoneport Pensions Alliance Limited, a company limited by guarantee which acts as the principal employer. Each participating employer has an equal vote in key decisions in the life of Stoneport through this membership body.
<b>Balance of powers</b>	The Trustees and the principal employer share most of key decisions, including the power of amendment, the wind-up power and the exit of an employer after becoming a centralised scheme. Individual employers set the contributions, subject to the approval of the Trustees. The trust deed and rules which govern the operation of Stoneport can be found <a href="#">here</a> .
<b>Key advisers and adviser appointment</b>	The Trustees are responsible for appointing advisers. Barnett Waddingham provide administration, actuarial and investment advisory services, Stoneport Pensions Management Limited are the employer covenant adviser, Baker McKenzie are the legal adviser and BDO are the auditors, Mobius provide the investment platform.



## Operations and Costs

### Investment

Stoneport operates a separate Matching Fund, designed to mirror the investment strategy of a UK insurer providing bulk annuities, and an Investment Fund, which aims to outperform the Matching Fund by 2-5% per annum. The Trustees determine the composition of both the Matching Fund and the Investment Fund and operate a Derivate Overlay to hedge any interest rate and inflation risk not covered by the Matching Fund and the Investment Fund.

Employers choose the allocation of their notional asset account between the Matching Fund and the Investment Fund.

### Scheme funding

Each employer must agree a funding and investment plan with the Trustees which targets full funding on a buy-out basis, with a 100% allocation to the Matching Fund, by 31 December 2045.

### Costs and charges

Pension scheme costs are complex. Those considering a DB Master Trust are encouraged to contact providers for information on the costs which would apply to their particular scheme.

After centralisation, running costs will be less than £200 per member per annum – a saving of up to 80%. All costs and charges may be paid by the employer directly, or met from the pension assets in their notional asset accounts.

### Other costs

The scheme remains liable for payment of levies, but we expect a reduction of more than 95% in the risk-based Pension Protection Fund levy after becoming a centralised scheme.

### Provider and trustees' remuneration

Stoneport Pensions Management Limited will be paid a share of the cost savings Stoneport delivers to the employers that join, plus a market tested and benchmarked fee for employer covenant advice and for carrying out an employer liaison role. The trustees will also be remunerated for their services at a market tested, benchmarked level.

All costs and charges may be paid by the employer directly, or met from the pension assets in their notional asset accounts.

## Joining and Leaving

### Entry process and costs

Schemes can join Stoneport via a bulk transfer of assets and liabilities. Costs associated with transferring into Stoneport such as legal advice would be payable by the employer or ceding scheme trustees, but Stoneport does not charge a take-on fee.

### Exit process and costs

An employer may exit Stoneport with the consent of the Trustees and on payment of a withdrawal debt, calculated in accordance with the trust deed and rules, plus any fees the Trustees incur in dealing with the exit.

## Provider Summary



## Stoneport Pension Scheme

Stoneport is purpose built to provide safe and secure retirements to the members of the smaller schemes that join, specifically those with less than 1,000 members, and to deliver the promised benefits at the lowest possible cost.

By bringing together a large and diverse pool of suitable employers (around 100, all of whom must be sufficiently strong to fulfil their pension commitments), Stoneport increases the likelihood of members receiving their full benefits to more than 99%. Its size and resources allow its professional trustees to deliver the highest standards of governance and provide a best in class member experience, ensuring members are well looked after and able to make informed choices.

Transformational cost savings (of up to 80%) are delivered through Stoneport's unique structure, which allows it to operate like one large single employer scheme (i.e. with just one actuarial valuation and one set of audited accounts and overseen by a single body of Trustees).

The increased scale of Stoneport reduces investment risk and bolsters returns through increased diversification of assets and more sophisticated, hence closer liability matching. Stoneport's scale and resources will keep investment management charges low whilst delivering a 'good governance premium' which have been estimated to add 1% to 2% per annum to returns.

By pooling liabilities, Stoneport provides far greater certainty of outcomes, and in targeting a shared funding objective, will exploit its bulk purchasing power to deliver a reduction in endgame buy-out costs of around 5% of the liabilities.

Employers are supported by experienced advisors who, on their behalf, manage the engagement with Stoneport's trustees. This simplifies the process for employers, making it quicker and easier to take decisive action (with appropriate support), freeing management to focus on their businesses.

# About this Self-Certificate

## Important note

All information in this Self-Certificate is provided by the entity shown on the front cover as having completed the Self-Certificate. No reliance should be placed on this information and parties considering defined benefit (“DB”) Master Trusts remain responsible for carrying out appropriate investigations, obtaining relevant information directly from relevant DB Master Trusts, and seeking appropriate professional advice in advance of making any decision.

The template for this Certificate was created by the Defined Benefit Master Trusts working group. At the time the template was issued, the working group comprised the Department for Work and Pensions (“DWP”), the Pensions and Lifetime Savings Association (“PLSA”), ABRDN, Deloitte, Hymans Robertson, Mercer, the Pensions Management Institute, Punter Southall, TPT and Travers Smith (henceforth called “the working group”). The PLSA have kindly agreed to host completed Self-Certificates on their website.

For the avoidance of doubt the working group does not audit, verify or otherwise check the information presented in DB Master Trust Self-Certificates.

## Self-Certificate version number

This Self-Certificate is based on template version number 1, issued by the working group on 27 October 2021.

## Purpose of the Self-Certificate

The Self-Certificate is intended to summarise factual information to assist DB scheme trustees and employers to understand the key features of DB Master Trusts which are available to accept transfers of DB pension schemes. It is not intended to provide comprehensive information on the DB Master Trust.

DWP support the creation of this template, to encourage the consolidation of DB pension schemes where it can benefit the schemes by reducing costs, enabling more effective investment strategies and improving governance.

## Schemes the Self-Certificate applies to

The Self-Certificate is for registered UK occupational defined benefit pension schemes that offer to accept transfers of the defined benefit pension assets and liabilities of non-associated employers while maintaining the transferring employers’ responsibilities for the liabilities. The template is not for superfunds or other arrangements where the link with the sponsoring employers is severed.

## Guidance

The working group has published “Guidance for Completing a DB Master Trust Self-Certificate”. Self-Certificates should be considered in conjunction with the Guidance, which contains information on how entities are expected to complete the various fields.

## Location of Self-Certificates

Completed Self-Certificates are published online subject to certain acceptance criteria summarised in the Guidance. Self-Certificates together with the template and Guidance can be found at this location: <https://www.plsa.co.uk/Policy-and-Research/Defined-Benefit/DB-Master-Trust-Self-Certificates>

## Questions about Self-Certificates

Any queries should be raised with the entity that has completed the Self-Certificate using the contact details provided on the front cover.