

DB Master Trust

Self-Certificate

TPT DB Master Trust

Completed by	TPT Retirement Solutions Verity House 6 Canal Wharf Leeds LS11 5BQ
Date completed	12 November 2021
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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 SelfCertificate 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.

Scheme	
TPT DB Master Trust	
HMRC and TPR registered	Yes
Provider	TPT Retirement Solutions
Structure	
Sectionalisation	Sectionalised Master Trust
Employer covenant	Preserved on transferring in
Benefit structure	Based on transferring scheme
Governance and Advisers	
Trustees	<p>TPT is governed by a Corporate Trustee, Verity Trustees Limited (VTL). VTL is a company limited by guarantee and not a trading company. There are nine Trustee directors. Three are nominated by employers (ENDS), three nominated by members (MNDs) and three co-opted by the nominated directors. Every director is appointed based on the balance of their skills and expertise, and ultimately their ability to support TPT, its members and employers. Details of our Trustee Board can be found at;</p> <p>https://www.tpt.org.uk/about-us/our-people/trustee-board</p>
Trustee appointment	<p>Verity Trustees Limited has the power to appoint and remove Trustee directors. Co-opted directors are appointed by resolution passed by the majority of ENDS and MNDs following a competency based selection process.</p> <p>Members and employers are invited to nominate prospective candidates as MNDs and ENDS respectively.</p> <p>Prospective candidates are required to complete an application form detailing how they meet the requirements of the role. Application forms are considered by the Remuneration and Appointments Committee.</p> <p>Shortlisted candidates are invited to interview to assess the candidate against job description, required competencies and specific skills gaps.</p> <p>The composition of the interview panel will differ depending upon whether the candidate is applying to be an MND or an END. This is to ensure that there is either member or employer representation, as appropriate, on the interview panel.</p> <p>The interview panel recommends the appointment of the preferred candidate(s) to the Trustee Board for approval.</p>
Other governance processes	<p>The Trustee Board is supported by the in-house staff at TPT, consisting of 200 skilled individuals in various functions, the Management Oversight Board (which oversees the day-to-day running of the business) and five sub-committees of the Trustee Board; the Investment Committee, the Funding Committee, Audit, Risk and Compliance Committee, Remuneration and Appointments Committee and Appeals and Discretions Committee.</p>



Balance of powers

Following the bulk transfer of the previous Scheme's assets and liabilities to TPT, the new section within TPT mirrors the previous Scheme's balance of powers.

Key advisers and adviser appointment

To provide best value, we carry out a considerable amount of work in-house and only use the services of external specialists when they add value. For example, we have our own in-house Actuarial, Investment and Legal teams who call on external advisers when required. A formal review of third parties and advisers takes place every five years, unless otherwise agreed by the Trustee. Contracts, including performance, are closely monitored and regular discussions take place.

Key current advisers include;
Scheme Actuary – Mercer
Solicitors - Linklaters & CMS
Investment Advisers – Redington
Auditors - PwC

Operations and Costs

Investment

Our dedicated London based investment team works collaboratively with the employer to create, manage and monitor the Scheme's investment strategy. The team has key responsibilities in the areas of asset allocation, fund manager selection, performance and management.

TPT currently has c.£12 billion of DB assets under management, which gives us not only a greater purchasing power than an individual scheme has on its own, but also gives us access to specialist funds which might not otherwise be available to a smaller scheme. A diverse range of underlying funds is used to provide more attractive and stable returns.

The initial investment strategy will be discussed before the Scheme joins TPT, and is then reviewed at regular intervals after the Scheme joins TPT and at least at every actuarial valuation.

On joining the Master Trust, the Trustee of TPT takes ownership of the previous Scheme's assets. We would then make any changes discussed with the employer as part of the initial investment strategy review undertaken during the take on process.

The investment strategy will support the employer's long-term aims for the Scheme, which is likely to include de-risking targets. Typically, the investment strategy will be designed to move over time to a lower-risk long-term selfsufficiency or buy-out position, increasing resilience in the Scheme and reducing the likelihood that the employer has to continue to fund the Scheme.

The investment strategies currently used include:

- Sophisticated Liability Driven Investment (LDI) to hedge interest and inflation rate risk.
- Growth assets which seek to provide an additional return to help reach agreed targets in lieu of more cash contributions. By using specialist funds and diversification, we can target this return with lower levels of volatility than traditional growth portfolios.
- Cash Driven Investments (CDI), which are typically used to de-risk the Scheme's assets as funding improves. CDI generates cash to pay Scheme benefits, rather than having to sell Scheme assets at the wrong time.

Scheme funding	<p>Integrated Risk Management (IRM) is a fundamental part of TPT's funding approach. A dedicated internal IRM team co-ordinates the covenant, actuarial and investment functions to ensure a truly integrated approach is adopted to manage the risks associated with scheme funding.</p> <p>TPT uses the IRM framework to identify, manage and monitor the factors that affect the funding position of the Scheme, which acts as the foundation for creating, discussing and monitoring a funding strategy plan with the employer in a collaborative way.</p> <p>A bespoke funding and investment strategy is created. To do this, TPT:</p> <ul style="list-style-type: none"> • establishes the aims for the Scheme and its long-term funding target. • agrees with the employer the time lines for this target. • models the different options which are available (including the suitability of any existing strategy which is in place). • discusses the initial plan with the employer. • implements the chosen investment strategy. • regularly monitors and reports on progress. • updates/amends as appropriate following consultation with the employer. <p>We are happy to consider the use of collateral and other security options, and have significant experience within TPT of the use of these instruments.</p>
Costs and charges	<p>An initial fee is set for the running costs (excluding the Investment Fund Management Charges on the Scheme's assets) which is then fixed for a 3 year period from the date the Scheme joins TPT.</p> <p>After three years, costs are reviewed annually and typically increase at the prevailing rate of inflation.</p> <p>The costs for running the Scheme are comprehensive and include trusteeship/governance, administration (including pension payments and FRS102/IAS19 reports), audit, covenant reviews, investment strategy reviews/monitoring, actuarial, covenant and legal support.</p> <p>Investment fund management charges are made on an annual management charge basis and are driven by the underlying costs of the individual fund managers.</p> <p>As a not-for-profit organisation, TPT is committed to offering real value for money for all of our schemes.</p>
Other costs	<p>Whilst TPT provides a comprehensive service, covering all of the services required to run a pension scheme, if there are any special employer led projects outside of the normal running of the Scheme, such as Pension Increase Exchange exercises and Buy-ins, TPT would provide an estimate of the additional costs before any work started.</p>
Provider and trustees' remuneration	<p>As a not-for-profit organisation, TPT does not have any shareholders or partners to pay. Trustees' remuneration is declared in our annual report and accounts.</p>

Joining and Leaving

Entry process and costs

Schemes join via a bulk transfer of assets and liabilities, with the following key activities taking place;

- a simple deed of adherence is executed, adopting the existing Trust Deed & Rules, ensuring member benefits and balance of powers remain unchanged.
- TPT liaises with the current administrators to obtain the member data and records.
- the existing scheme actuary certifies that members' benefits are not adversely impacted by the transfer.
- a transfer agreement (provided by TPT) is signed by the Trustees of the previous Scheme, the sponsor and TPT.

TPT does not charge any implementation fees for the work it carries out in the transfer process however the previous scheme trustees and employer will have their own adviser costs to pay as part of the transfer.

Once a decision has been made to join TPT, one of our dedicated transition managers will lead the implementation process, and our experienced Project Management team will take on most of the tasks associated with the implementation process, at no additional cost.

Once the new scheme is up and running the old scheme 'shell' can be wound up.

Exit process and costs

The Trustee has the power to agree a bulk transfer to another approved pension scheme or insurance vehicle, provided that there are no changes to member benefits and that there is no deterioration in the employer covenant. TPT would work with the employer and receiving scheme to facilitate the transfer.

There are no penalty costs for leaving. The employer would need to pay any costs involved in the transfer process, such as professional adviser fees.

Provider Summary

TPT DB Master Trust

TPT is a leading Defined Benefit (DB) Master Trust and is one of the UK's premier workplace pension providers.

We have been managing pension schemes for 75 years during which time our DB assets have grown to c. £12 billion. We are a modern, forward thinking organisation, investing in technology to improve the services we provide to our customers and have been at the forefront of the move towards the consolidation of DB schemes working closely with the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR).

We are different from many organisations in that we are a pension scheme, have no shareholders and are run purely on a not-for-profit basis. This is beneficial for those companies who add their scheme to our Master Trust as any surplus generated is re-invested back into the business to improve the services we offer and to keep costs under control.

Our motivation is to provide a high quality service and to do the "right thing" in the long-term interest of the Scheme and its members, rather than generating profits for partners, shareholders, or private equity companies.

Each scheme's assets and liabilities are ring fenced, with its own valuation and bespoke funding and investment strategy, and its own long-term funding target (LTFT).

Our proposition comes with a single, all-inclusive charge fixed for three years, meaning the employer can budget with certainty.

Key features of our proposition are;

- The creation of a more efficient funding and investment strategy giving a safer and more certain path to the desired end game, reducing reliance on the employer to fund the Scheme in the future.
- Access to specialist investment solutions reducing risk and strengthening the Scheme.
- Professional, expertise and management of the Scheme. This gives comfort that the Scheme is receiving a high quality level of care and governance, whilst reducing the amount of time employers need to spend on it.
- TPT takes full responsibility for all regulatory and compliance issues, providing continuous oversight of the Scheme
- An award-winning service for Scheme members.

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.