



Punter Southall



Employer consulting services

A commercial approach to managing
pension scheme risk



A commercial approach to managing pension scheme risk



Get in touch

To find out more about our employer services, contact Danny Vassiliades:



Telephone:
020 7839 8600



Email:
danny.vassiliades@
puntersouthall.com

Attempting to keep abreast of the latest pensions developments presents numerous challenges for today's UK businesses already grappling with difficult markets and an uncertain economic future.

Alongside the collapse in global financial markets, which saw billions wiped from pension scheme funding values, sponsors also face rising life expectancy and a shifting regulatory landscape.

A new government has brought with it new demands on private pension provision and, as well as seeking to make savings via the pensions tax regime, the state is also relying on business to play a larger part in providing retirement benefits.

Both now and in the future, companies face an enormous challenge in managing the costs and risks of running a pension scheme and are increasingly reliant on expert actuarial advice in managing this complex area.

We are actuaries and consultants offering a rigorous approach to pensions management, supported by a long pedigree of growth and success. We spend time with our clients to understand how the pension scheme fits within the overall context of their company's business strategy.

We have a deep understanding of value for money and we offer a flexible, pragmatic approach, without unnecessarily overcomplicated solutions.

Our priority is to help sponsors evaluate the entire spectrum of pension risks and costs, including pension contributions, investment strategy, accounting assumptions, and managing their key relationships with trustees, employees and the Pensions Regulator.

We look forward to talking to you about how we can add value to the management of your pension scheme.

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Defined benefit funding

Superior employee benefits can attract and retain the best individuals, and employers are responsible for designing an attractive package that does not expose the company to excessive costs and risks, which can impact on their published accounts.

Consequently, managing defined benefit (DB) pension liabilities and limiting the costs and risks are critical priorities for finance directors and, with the right advice, much can be done to plan for an actuarial valuation exercise which takes into consideration corporate objectives. The employer covenant is also important, as trustees assess the company's future financial strength and stability, and one where expert guidance is needed.

Our corporate consultants provide advice on:

- actuarial assumptions;
- keeping pension contributions appropriate and affordable;
- presenting your employer covenant to the trustees; and
- managing your exposure to the Pension Protection Fund levy.



Risk management

The recent economic downturn created painful repercussions for employers running DB pension schemes and brought home the risks inherent in these plans.

However, market crises are not the only consideration for scheme sponsors; tax and legislative change can also impact on costs and create new risk exposures which need to be managed. Our unique combination of services helps you take control of the risks over the future lifetime of your scheme.

Our risk management team can:

- assess the risks inherent in your pension scheme;
- advise on reducing risk within your investment strategy;
- advise on alternatives for scheme members such as transfers to other arrangements, early or late retirement, and exchanging pensions for a lump sum; and
- provide guidance during scheme closure and switches from DB to defined contribution (DC).

unique
combination of services



Defined contribution consulting

As the cost and complexity of running a DB scheme forces this provision out of favour, DC schemes have risen to take their place. However, a DC scheme does not represent an 'easy ride' for employers and as pensions reform and auto-enrolment come ever closer, a company's duties and responsibilities loom ever larger. Employers need to design DC plans effectively and in line with company values, and then communicate with employees clearly and unambiguously.

Our DC team provides:

- advice on scheme design;
- guidance on cost management and contributions;
- tailored member communications;
- assistance with scheme governance; and
- administrative support and services.



Corporate transactions

Buying or selling a company clearly offers huge reward potential, but corporate transactions also create risks, the biggest of which often lies within the company pension scheme.

Failure to recognise and understand the complex issues surrounding pensions and corporate transactions can lead to expensive mismanagement, or even a complete breakdown in the deal. The right advice, which is well communicated and delivered on time, can make the difference between a good purchase and a costly mistake.

Punter Southall Transaction Services offers:

- mergers & acquisitions pensions consultancy designed to translate those complex problems into succinct commercial advice;
- insight into the demands of both vendors and purchasers; and
- tailored advice on acquiring or disposing of DB schemes, managing the ongoing liabilities or negotiating with trustees and the Pensions Regulator.



Public sector outsourcing

As the government looks to make cutbacks, the public sector represents fertile ground for companies either tendering for outsourcing work or making acquisitions.

Yet acquiring ex-public sector employees usually means taking on their existing pension and redundancy rights, and employers could end up burdened with unanticipated pension costs. It is important to understand these potential risks to your business and we have extensive experience helping organisations overcome such demanding obligations, overseeing pensions transfers and carrying out due diligence quickly and efficiently.

Our **knowledgeable** and **experienced** team provides
innovative, high-quality
advice on **all areas** of DC pensions



Health and protection

Health and protection schemes offer valuable benefits to employees and demonstrate an employer's commitment to the wellbeing of its workforce.

Our Healthcare team can advise on the design of healthcare and protection plans to reduce administrative cost whilst maintaining efficient levels of benefit.

Our Group Risk unit provides a full range of advice from the design, implementation and communication of new benefit initiatives to reviewing and enhancing a company's current provision. Our excellent relationships with insurance companies mean that we can negotiate the best solutions, with our focus on our clients' needs, value for money and quality of service.



Pensions for senior executives

Uncertainty over proposals to reduce the pensions tax breaks for high earners has created confusion for businesses trying to provide the best retirement benefits for their senior executives.

We have a variety of solutions for those wanting to revise their strategies and for employers looking for alternative options. We provide ongoing advice to over 4,000 clients – many of whom are high earners – and run a regular series of specialist client seminars and briefings on the latest developments in this area. We can also provide Independent Financial Advisers to help senior executives make sense of the decisions they need to take.



International pensions consulting

With so many firms operating across borders and with so many regimes to understand, we offer an experienced group of pensions and financial planning professionals with a wide range of technical expertise from across our Group and within trusted global partners.

We provide a comprehensive range of international solutions for corporate and private clients, including cross-border pensions, investment consulting, actuarial transaction advice, and global health and risk consulting.

advice
well communicated



Punter Southall

Actuarial consulting
Pension scheme administration
DC consulting
Health & protection
Investment consulting
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TRUSTEES

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www.psitl.com

Aberdeen

Suite 3, 56 Queen's Road, Aberdeen AB15 4YE
Tel: 01224 498 500
Fax: 01224 498 505

Birmingham

1 Colmore Row, Birmingham B3 2BJ
Tel: 0121 230 1900
Fax: 0121 230 1901

Bolton

Suite 35, Bolton Business Centre
44-46 Lower Bridgeman Street, Bolton BL2 1DG
Tel: 01204 380687
Fax: 01204 380687

Bristol

1 Friary, Temple Quay, Bristol BS1 6EA
Tel: 0117 344 5070
Fax: 0117 344 5071

Cardiff

2nd Floor, Unit 1B, Oak Tree Court, Mulberry Drive,
Cardiff Gate Business Park, Cardiff CF23 8RS
Tel: 029 2054 6360
Fax: 029 2054 6361

Edinburgh

Charlotte House, 2 South Charlotte Street, Edinburgh EH2 4AW
Tel: 0131 225 1155
Fax: 0131 220 3828

Guildford

Tempus Court, Onslow Street, Guildford, Surrey GU1 4SS
Tel: 01483 540 300
Fax: 01483 540 301

London (Head office)

126 Jermyn Street, London SW1Y 4UJ
Tel: 020 7839 8600
Fax: 020 7839 3343

Maidstone

Idenden House, Medway Street, Maidstone, Kent ME14 1JZ
Tel: 01622 357 250
Fax: 01622 357 251

Redhill

Gatton Place, St Matthews Road, Redhill, Surrey RH1 1TA
Tel: 01737 854 440
Fax: 01737 854 445

Wokingham

Albion, Fishponds Road, Wokingham, Berkshire RG41 2QE
Tel: 0118 977 2277
Fax: 0118 977 2278

We also have a sister business in Boston, USA.

For further information, visit our website at www.puntersouthall.com