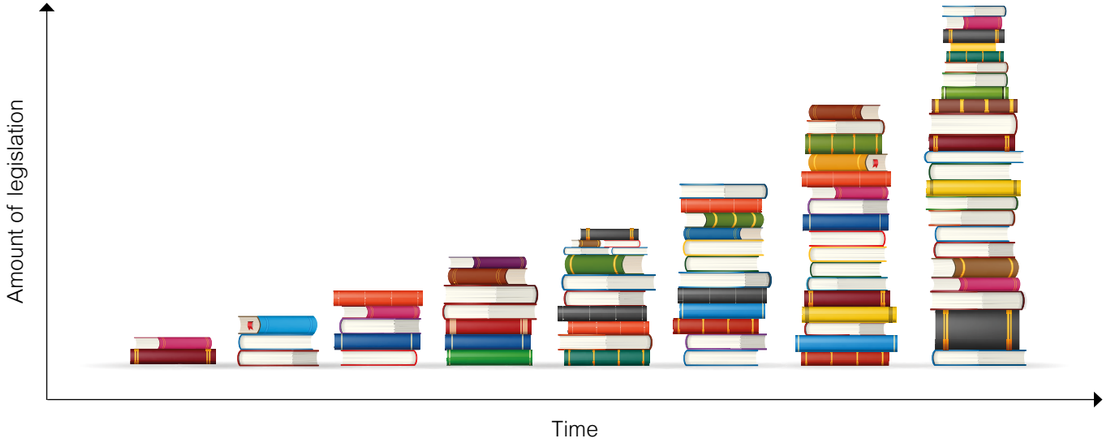
Help with Defined Benefit Pension Schemes



first actuarial

Defined benefit pensions

Defined benefit pensions have become more and more complex in recent years, with a dramatic increase in legislation.



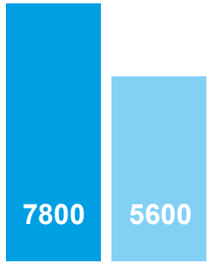
Over the same period, the cost to employers of providing pensions has grown, mainly as a result of longer life expectancy and changes to investment strategies that lock into lower expected returns.

As a result many trustees and employers have closed their schemes to new entrants and stopped members building up further benefits. In some cases, schemes have been wound up, with pensions secured with an insurance company.

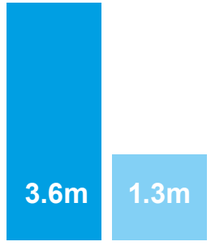
Those schemes that are still up and running need cost-effective support.

First Actuarial helps both trustees and employers control costs, improve member services and manage the complexities of the pensions world.

Number of defined benefit schemes



Total membership of defined benefit schemes



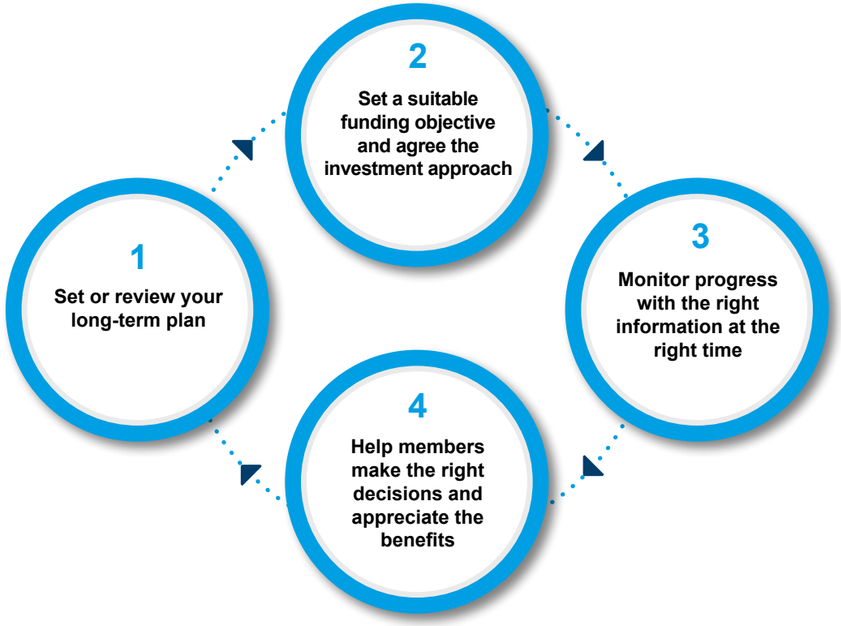




We’ll help you develop an overall plan

With a plan in place, everyone will know what they are trying to achieve. It will become easier to do the right thing at the right time. And it will also help to manage the scheme on an ongoing basis.

We can help you explore your options and put a sensible plan in place over a realistic timescale. Of course, you might have to adjust that plan over time. Managing your scheme involves monitoring your plan and adjusting it as circumstances change.



Set your long-term objective

The first step of developing your overall plan is to set a long-term objective for your pension scheme. Ideally, this will be agreed by the trustees and the employer, although this isn’t always possible.

The long-term objective will lie somewhere between continuing to build up and pay benefits for existing and new members, to managing the wind-up of the scheme in a cost-efficient way. We’ll help the trustees and the employer reach agreement on their objective so you can work together to achieve your goal.

Set a suitable investment policy

Once you have agreed your long-term objective, we can help you with your investment policy.

Because your investment policy will affect the scheme's funding, our investment consultants and Scheme Actuaries work closely together to help you understand all the implications of your funding and investment strategies. By considering the two together, we make sure you don't get any unwelcome surprises.

Your long-term investment policy

We think an investment policy should change over time, depending on how close you are to your long-term objective. So we start by considering how you would invest if you were close to being well funded on a basis consistent with your long-term objective.

Your current investments

Once you've agreed a long-term investment policy, we examine how you invest at the moment. We look to see if your approach is cost-effective and efficient, and we consider the trade-off between the risks you are running and the returns you are expecting. It can be easy to make minor adjustments and reduce risk while maintaining returns, or increase returns while running the same level of risk. We think this is just common sense.

Sometimes you might need to do more, and make fundamental changes to your investments. We can help with that too. By showing you the risk and return consequences of any decisions in a simple way, you can set a new strategy quickly and efficiently.

Adapting your investment strategy over time

The final stage is to agree how you are going to move from your current to your long-term investment strategy. Are you going to make investment switches following valuations, or regularly to an agreed schedule? Or will you take a more strategic approach, making switches when you can take advantage of favourable market conditions?

We think the strategic approach is the best way, as long as it can be done cost-effectively. We can offer different models at a range of prices to allow you to find a strategic way of switching that works for you.





Set the right funding strategy

The funding strategy needs to align with the investment strategy, and the investment strategy needs to align with the funding strategy. It's all very circular, and can easily lead to confusion. Our Scheme Actuaries will work with the investment consultants to make sure funding and investment are consistent and you understand all the implications of their advice.

Our Scheme Actuaries are much more than number crunchers – they are great communicators with in-depth pensions expertise. They will talk to you in plain English, avoiding industry jargon. After all, you need to understand the issues well enough to make the decisions that are right for you.

At our meetings, we use a range of interactive software tools to bring important actuarial questions to life, and we can model their potential impact on your scheme. So straight away, you can focus on the issues that really matter, and ignore the ones that don't.

This integrated approach – combining our interactive software with approachable actuaries – helps trustees and employers agree on a funding strategy quickly, with a minimum of fuss and effort.



Monitor progress with the right information at the right time

We provide you with a range of tools to help you monitor your scheme and access key documents easily.

From scheme websites and firstview's daily funding tracking, to our firstexec app that puts key documents, trustee minutes, funding values and asset allocations, all in the palm of your hand.



But getting the right information at the right time means much more than that. It's about getting trustees together regularly, and running meetings in a structured way to bring all the issues to all the trustees' attention. To do this well requires a good scheme secretary.

You may have a scheme secretary, and if so, we can support them to help look after the scheme. If not, we can provide the full range of secretarial services to trustees, from organising meeting dates and chasing papers to finalising minutes. We make sure everyone gets the right information at the right time so you can see all the issues at hand.

The most effective trustee secretary is someone with extensive experience, knowledge and understanding of pension schemes and how they work, rather than a 'junior' person learning on the job. Putting the right person in place makes schemes run like clockwork.





Help members make the right decisions

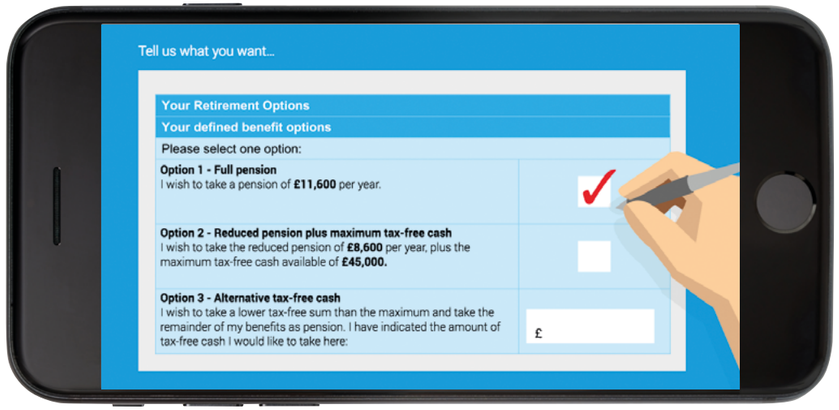
Administering a pension scheme means giving the right information to scheme members at the right time in a clear, understandable way. This will help them make sound decisions. Once any decision has been made, the administrator should keep the member informed and set up their benefits when promised.

If your current adviser can’t achieve all of these objectives then we think the priority should be to provide the right information in an understandable way. However, some advisers find measuring the time taken to issue the information is an easier target to meet. We believe that the pensions industry is far too focused on issuing information quickly, at the expense of getting it right and spending time explaining options to members.

Calculations have to be correct so members can rely on the information they are given. Human error is a fact of life, but we have the culture and systems in place to identify and correct any mistakes made.

It’s also important to make information as easy to understand as possible. Without a clear understanding, members can all too easily make the wrong decision. We give a range of explanations to support every pension option, so everyone can find a way that suits them. Some members will be keen users of technology whereas others may never have used a computer before. We combine the traditional approach of writing letters and speaking to people on the phone with modern communications – such as member portals and online interactive retirement tools.

Most importantly, our administrators support members, taking whatever time is needed to explain the process and alleviate the stress and strain of difficult financial decisions.



Who are we and why should you choose us?

At First Actuarial we look after your members so they can make the best possible decisions. We help you agree a long-term plan and explain your options clearly every step of the way. We use innovative tools that monitor how your scheme is progressing, and support your investment choices to achieve a cost-effective balance between risk and return. We help you organise your scheme so it runs smoothly and without surprises.

All of this makes running your defined benefit scheme more straightforward.



Friendly

We use clear language that you and your scheme members can understand. We take our work seriously but we also enjoy meeting clients. We think you'll have a great time working with us – our clients and their employees certainly do.



Forward-thinking

We are a growing firm with an eye on the future. We use new technology to improve the way we advise clients and engage with scheme members. We're constantly reviewing how to improve our services.



Fair

We deliver high quality work cost-effectively. We offer fixed fees for work where there is a clear scope, and we won't sell you work you don't need. We have retained our clients by treating them honestly and fairly.

Get in touch

Contact us now to find out how we can help you.



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About us

First Actuarial LLP is a nationwide partnership with more than 250 staff covering five offices. Each office provides our whole range of services.

We help you to run your scheme smoothly and effectively at reasonable cost.

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