Sackers

DC hot topic

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TPR's guide to administration

TPR's revised Code of practice on the governance and administration of occupational trust-based schemes providing money purchase benefits came into force on 28 July 2016.

To coincide with this, TPR published the final versions of its "how to" guides. These are intended to help trustees implement the Code.

The six new guides reflect the key areas of the Code, where TPR sets out its expectations in more detail.

This note sets out some headline points in relation to the guide to administration.

1
Working with your administrator and the employer

Trustees should:

- routinely consider and discuss administration, not just when problems have been identified

- ensure the scheme is administered in accordance with scheme rules and trustees' legal obligations

- have a day-to-day contact within the administrator

- transfer data electronically wherever possible.

2
Administration reporting

Trustees should:

- check that the administration reports are bespoke for the purpose of reporting information that is relevant to the administration of DC benefits and specific to their individual scheme.

3 Administrator training and experience

Trustees should:

- find out what the administrator's policies and practices are with regards to staff training and qualifications, in particular how staff are kept up to date.

4 Quality assurance and continuity

Trustees should:

- obtain assurance from the administrator that procedure manuals are kept up to date
- incorporate adequate checking and peer reviews in administration procedures.

5 Disaster recovery and business continuity planning

Trustees should:

- have a business continuity plan
- ensure the plan covers disaster recovery
- ensure (or seek assurance from the administrator) that the plan is regularly reviewed and tested.

6 Core financial transactions

Promptness

- Trustees should be comfortable that the administrator's procedures for each type of transaction are as streamlined as they can be without increasing the risk of inaccuracy.

Accuracy

- Trustees should make appropriate efforts to keep all member addresses up to date and agree a proportionate policy for member tracing
- Any software used to calculate fund values, process lifestyling and / or populate figures in member communications should be tested both at the point of implementation and on a regular basis
- Checking and peer review procedures should be place.

For further information, training and assistance with meeting your legal requirements please speak to your usual contact at Sackers or visit www.sackers.com/dc-schemes.