

# The Salvus Master Trust: The Details

## The Salvus master trust pension scheme

The Salvus master trust pension scheme brings together the best features of a trust based occupation arrangement and the flexibility normally associated with a group personal pension, to provide an excellent auto enrolment solution for small and medium companies. The key advantages of the Salvus master trust pension scheme are set out below.

- **Security** – The funds are held and invested by Aegon UK Plc, a major international insurance company, with huge experience in managing pension investments. Aegon has been given a financial strength rating of A+ (Strong) by the independent ratings agency Standard and Poors. The funds are held in trust, separate from the assets of both Aegon and the employer providing additional protection.
- **Simplicity** – The process of adding an employer to the Master Trust is extremely straightforward, with none of the cost and complexity normally associated with setting up an occupational pension scheme. Adding employees to the scheme is also very simple, with no requirement for individual applications or reams of personal information.
- **Value for money** – The simplicity extends to the charging structure of the scheme. All of the costs of running the scheme and investing the funds are covered by an annual management charge of 0.60% plus £1 per month deducted from each employee's fund. This is in line with the proposed government charge cap of 0.75% which has been introduced in April 2015. More information can be found at:

<https://www.gov.uk/government/organisations/department-for-work-pensions>

- **Strong Governance** – Good governance is an essential element for any auto-enrolment scheme. The Trustees will oversee the governance of the scheme and help ensure that the administration, investment offering and management are of the highest standard.
- **Expert Administration** – The Salvus master trust pension scheme is administered by HS Admin, a company with years of experience in administering master trust arrangements.
- **Professional and Independent Trustees** – Wragge Lawrence Graham & Co Pension Trustees Ltd, a legal firm that specialises in pensions law, acts as trustee of the Salvus master trust pension scheme. They ensure that the scheme is run for the benefit of the members.
- **Investment** – the default investment option is designed to suit the majority workforce of each employer under the scheme. For members who wish to make their own investment decisions they will have access to over 20 Aegon funds, some of these funds will have a higher annual management charge than 0.75%.

## Governance

### The DWP perspective

Good governance is key to ensuring that appropriate decisions are made for scheme members. There is no one-size-fits-all answer to ensuring good governance. The DWP believe there are two important qualities that form the foundation of effective governance:

- An alignment of interests between people running the scheme and members of the scheme so that decisions are taken in the interest of the members; and
- That people running the scheme have the skills and knowledge to be able to act in the interest of scheme members.

In addition to the governance undertaken by the Trustees, the NHF are working in consultation with Wren Sterling who have the skills, knowledge and experience to help employers meet their requirements. This will include the production of reports, such as market commentary, to help employers ensure the ongoing appropriateness of the scheme for their employees

### The Pensions Regulator and the importance of good scheme governance

Ultimately it is The Pensions Regulator (TPR) who is responsible for enforcing good scheme governance. To ensure understanding of what constitutes good governance TPR introduced six guiding Principles which the Salvus Master Trust has been specifically designed to address for your company and employees: more information can be found at <http://www.thepensionsregulator.gov.uk/>

### Principles for investment governance of work-based DC pension schemes

In addition to the general Principles on good governance detailed above, the Investment Governance Group has published six key Principles for Investment Governance.

The six Principles cover the key areas of investment decision making and governance that are important to the health of a DC scheme. They cover initiation, set-up and design, ongoing monitoring, reviewing and communications to members (including financial education). They apply to both trust-based and contract-based schemes.

More information can be found at: <http://www.thepensionsregulator.gov.uk/about-us/principles-igg-dc.aspx>

## Associates

The Salvus Master Trust has been developed in conjunction with a number of leading firms:



**HS Administrative Services Ltd** currently looks after a substantial number of schemes and members and act as administrators for the scheme.

The Salvus Master Trust is administered by HS Administrative Services Ltd. (HS Admin), which was established in 1985. Based in Liverpool, HS Admin administers over 60 final salary and money purchase schemes with assets totalling £2.5 billion. (As at March 2014, source HS Admin).

HS Admin currently administer the Spinnaker Master Trust with over 40 employer sub-trusts and over 1,000 members; assets now exceed £15M. (As at March 2014, source HS Admin). HS Admin has been awarded third party administrator of the year twice in the last six years (2007-2013, source HS Admin) and hold the AAF01/06 Internal Controls award and ISOQAR 9001.



**Wragge Lawrence Graham & Co Pension Trustees Ltd** is a wholly owned subsidiary of Wragge Lawrence Graham & Co LLP. Wragge Lawrence Graham & Co is a UK-headquartered international law firm providing a full service to clients worldwide.



**Aegon UK plc**, provide the investment platform, allowing the Salvus Master Trust to offer an extensive range of investment options.

Aegon UK plc was founded in 1831 as Scottish Equitable and employs 3,000 staff, providing services to around 2 million customers. It is part of Aegon N.V., an international pensions, life insurance and investment company with more 40 million customers and 25,800 staff. Aegon UK plc has been given a financial strength rating of A+ (strong) by Standard and Poors.



**Goddard Perry** is an employee benefits consultancy, established in 1982. They played a key role in developing the Salvus Master Trust and have considerable experience in this field through their work with the Pension protection Fund (PPF) and Financial Assistance Scheme (FAS) on the Spinnaker Master Trust.

The Goddard Perry group of companies includes HS Administrative Services Ltd and employs more than 100 staff in Croydon, Liverpool and Fleet. Group turnover is c£6 million. The group has been involved in Master Trusts for more than ten years and is a founder member of the Master Trust Association (MTA).



**Wren Sterling** is a forward-thinking and confident UK-wide independent financial advisory business, founded in 2007. We navigate our clients through often complex markets that change frequently, by taking the time to understand their unique situation and advise from a completely independent standpoint. In the personal finance market, Wren Sterling specialises in all aspects of savings, investments and retirement planning, while our advisers are committed to developing long-standing client relationships that span generations.

In the corporate space, we're experts in pensions, including Auto Enrolment, workplace benefits and protection and we're privileged to work with some of the UK's biggest corporates as well as the SMEs that provide the heartbeat to the UK economy.

Although our headquarters are in London, our network of regional offices gives us a truly national reach, allowing us offer uncompromised financial advice through hundreds of experienced, passionate and client-focused financial advisers based across the UK.

Until March 2015 Wren Sterling was known as Towergate Financial, when it was acquired in a management buyout by Palatine Private Equity from its previous owner, the Towergate Insurance Group.