# The perks of transferring to a master trust

**Having managed the transfer from a single-trust pension scheme to a master trust twice, once while at Santander and once with his current employer, Aspen Insurance, its group head of rewards, Elliot Rees-Davies, talks to Theo Andrew about how to ensure a smooth process for the member**

**What are the main challenges when conducting a transfer from a single trust to a master trust?**
The first challenge is around key stakeholder buy-in from all of the parties. Typically it is a company decision to switch the pensions provider, but to make sure it is a smooth process and to have engagement all round, you need to make sure everyone understands why you are making the change. So it is important to have the trustees on board, not that they can stop you, but they can stop historical assets from moving across.

Engaging with the employees through the process is important as well, undertaking some sort of formal employee consultation. It is worth going above and beyond to make sure they are comfortable with the changes and why you are making them.

Other challenges include managing the transfer between two administrators to ensure the processes are running smoothly, to ensure you have the right legal advice in place. It is becoming a well-trodden path, but it's just a case of making sure you are doing it all at the right time.

Migrating the data itself can be tricky if your pensions data is in an awful mess. If you have the time, one of the things you can do is use the process to tidy the information that you are putting across.

I don't think a transfer is as hard as people think it might be. I did a Santander pension transfer twice, once to consolidate legacy DB and DC into a single pension administrator for all our schemes. However, for the DC arrangements we then decided to move to a master trust and so moved administrator for a second time.

**Why should schemes consider transferring from a single trust to a master trust?**
The biggest advantage is the governance and professional trustees that go with these master trusts. In addition, master trusts make a big effort with their online platforms, in terms of employee engagement and communications. They are able to get much better engagement through the platforms they have put in place.

There are obvious cost savings, particularly on the administration side and legal advice point of view, as it tends to get wrapped up into the master trust which is extremely helpful.

The big one for me is it opens up time to do more value-added activity. As it cuts some of the admin, it allows you to add more value to the member.

The one thing you can do is make sure they contribute the right amount into their pension, which sounds simple but isn't. My team now has the time to do it.

**How do you communicate with the member throughout the process?**
We did a very simple communication process. It was helpful that our provider was the first one to be authorised, so it was nice to go out with a very simple message. It was good to tell people that we are now with a market-leading pension, but it was about using this as a hook to get members to review their pensions, more as a 'call to action' as it were. At Santander the transfer was a company decision, but at Aspen it was a trustee decision. So we picked the shortlist but it was the trustees who made the final decision.

**What advice would you give to other trustees undertaking the same process?**
Having gone through the Santandar transfers and then with Aspen, and having not been slipped up by them, yet, I absolutely do think it is the right decision. It allows you to get rid of the admin and governance work and climb up the value-added tree, as well as saving costs and time.

Trustees do need to think about it up-front to make sure they have the right objectives and be realistic about the timescales involved, typically six to nine months, as well as having a good team in place.

**Written by Theo Andrew**