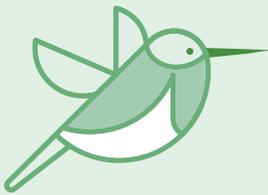


First Actuarial meets RSPB's stringent ethical requirements for its new defined contribution pension scheme



giving nature a home

Key outcomes



A pension provider and default fund that align with the ethics of the RSPB



Responsive membership consultation, addressing all employee concerns



Robust pension scheme governance and reduced administration costs

The decision to wind up a defined benefit pension scheme can be difficult. The RSPB was determined to minimise the impact of its new defined contribution scheme on employees, and appointed First Actuarial to support the transition and select a provider with strong ethical values.

The challenge | An efficient but caring and ethical pension scheme

The RSPB had been concerned for some time about the future liabilities predicted for its defined benefit occupational pension scheme, but as a caring employer, the charity was equally keen to minimise the impact on staff of any change in its pension arrangements.

The RSPB decided to move to a defined contribution pension scheme, which would offer reduced administrative overheads, and committed to working closely with employees using the charity's robust employee consultation structure at every stage of the decision-making process.

In planning its defined contribution scheme, the RSPB saw an opportunity to select a pension provider with values in harmony with those of its employees and the charity as a whole. A thorough approach to pension scheme investment would also protect the RSPB from the risk of reputational damage.

RSPB approached First Actuarial for help in smoothing the transition from a defined benefit to a defined contribution pension scheme in line with the charity's values.

The solution | Moving to a defined contribution pension scheme

► Selecting a more ethical defined contribution pension provider

First Actuarial consultants started by carrying out research into providers and investments. They worked closely with the RSPB procurement team to sift out any provider whose Corporate Social Responsibility (CSR), ethical or environmental policies fell short of the RSPB's criteria. This narrowed the prospective providers down to a group of companies the charity was prepared to work with.

The RSPB stipulated that the chosen provider would need to offer a

suitable range of ethical investment options to employees. Ethical investment is still an emerging area, so sourcing suitable funds from the providers the RSPB had approved would be a challenge. First Actuarial started looking in detail at the ethical investments of each provider.

From our findings, we produced a report, which shortlisted three providers. We then supported the RSPB throughout the provider

presentation day, drawing on our extensive industry expertise and experience to ask questions and raise issues that would make the RSPB's choice of pension provider well informed.

"They translated legal and technical details into something that humans could understand," says Claire Beesley, Project Manager at the RSPB. "They gave us pension scheme costs and projections, and high quality advice on fund design."

▶ Meeting the investment requirements of the RSPB

By aligning very closely with the RSPB's ethical standpoint, Legal & General was the clear winner of the provider selection process. Its Future World fund has a strong climate change focus, and as a shareholder,

Legal & General lobbies companies to implement climate-friendly measures. The company was keen to work closely with the RSPB to tailor its investment options to the charity's requirements. All of this appealed strongly to the RSPB.

▶ Engaging with RSPB employees

First Actuarial engaged with the RSPB employee consultation process, advising and working closely with the Pensions Subcommittee. As the scheme was being implemented, First Actuarial gave a presentation to RSPB staff on pension investments and the Future World fund, reassuring employees holding particularly firm views, and advising everyone of the full range of options available.

selection process," says Claire. "Both consultants were highly professional and extremely knowledgeable."

Sincere in its concern for staff wellbeing, the RSPB focused on getting every detail of the new scheme right. But it doesn't stop there – ongoing governance of the scheme is key. First Actuarial is providing the newly formed Governance Committee with the appropriate training and support to enable best practice in pension governance on an ongoing basis.

"First Actuarial supported our internal communications and Q&A processes throughout the provider

The outcome | A defined contribution scheme that ticks all the boxes

▶ Time and cost savings on pension administration

The RSPB now has a fully operational defined contribution pension scheme that is fit for purpose and cost-efficient to run. The scheme has a default fund in place which is focused on tackling climate change, with a range of options that gives employees the freedom to choose their own investments. Legal & General is committed to working with the RSPB on an ongoing basis in support of the charity's values.

This marked the culmination of an employee consultation process that ran smoothly from beginning to end. "First Actuarial earned the respect and faith of our Pensions Subcommittee, Council and Management Board," says Claire. "The Subcommittee Chair is particularly complimentary about First Actuarial's approach."

Migrating from a defined benefit to a defined contribution pension scheme can be a challenge in terms of keeping staff and other members on board. In the RSPB's case though, employees were satisfied with the outcomes, particularly with the ethical options in place.

Claire Beesley concludes: "I would definitely recommend working with First Actuarial. Their consultants went over and above the call of duty to make sure the project progressed smoothly. In all areas – overall project and strategy scoping, defined contribution scheme and investment fund advice – the support has been exemplary."

Moving forward with the GPP

First Actuarial continues to support the governance of the pension scheme, giving advice to the Governance Committee where needed, in areas such as employee communications.

First Actuarial also monitors investment performance, making sure that Legal & General meets agreed service levels and remains the most appropriate provider for the RSPB.



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Claire Beesley,
Project Manager, RSPB

