



Importance of reviewing your pension scheme administration

November 2023

Is it time to consider changing your pension administrator, or are you looking to outsource administration for the first time?

Excessive and hidden costs, poor and fragmented service delivery, and inadequate systems and communication are just some of the reasons you might think of switching administrators. Our comprehensive selection process can help you choose the best possible administration partner.

We work alongside you throughout the process and will cultivate a strong working relationship between you and the Third Party Administrators (TPAs). This collaborative approach will mean the process is transparent and clear from the outset, giving you confidence that the TPAs we put forward will be suitable for your requirements.

At the end of the selection process you will feel confident in the decisions you have made and have certainty in the independent validation that LCP has provided.

How we helped our client choose a TPA that met their needs

Situation

Our client was looking to outsource its in-house pension administration.

The in-house team were reliant on external software which was coming to the end of its licence; this led to our client taking a wider look at its administration strategy and ultimately taking the decision to outsource.

Solution

Together, we defined what the client wanted to achieve from the exercise. Using these objectives, we led the client through the outsourcing process and used our tried-and-tested procurement approach to source the right TPA partner for the client.

Outcome

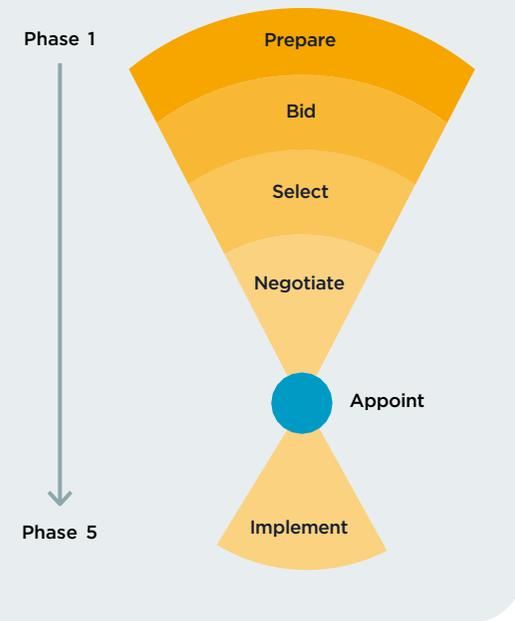
The chosen TPA offered a clear implementation plan and demonstrated how its market-leading technology would benefit the pension scheme membership.

Our client was confident that they had selected the best TPA partner for them.

LCP provided a very personable and effective team, who were able to guide the trustees through an important selection and procurement process. It was a pleasure to work alongside them on our TPA procurement; their experience ensured that we achieved the right result for the scheme and its members.

Gary Mills, Chair of Trustees, Costain Pension Scheme

Overview of selection process



How to ensure your selection exercise is a success

Preparation is key to success. We will work with you to understand what works well and what you're looking to change. We'll then suggest a project structure, selection criteria and a long-list of TPAs based on your requirements.

During the **bid** stage, we will arrange supplier briefings and an online data room so that the TPAs have a detailed understanding of your requirements. This means that their proposals will be focused on the areas important to you.

We will facilitate site visits and help you evaluate and rank the TPAs. Our approach means that you will have a thorough audit trail to support your decision of which TPA you **select** in your shortlist.

Once you have shortlisted TPAs it is important to **negotiate** to ensure best price and agree terms and conditions. In our experience, the savings in TPA fees we can command through the process can significantly outweigh our project fees. We will also negotiate on your behalf to maximise in-scope services.

Your chosen TPA will provide a project manager during **implementation**. If required, we can supplement this by providing a 'project assurance' role to oversee the new TPA's transition approach.

Want to find out more?

If you are considering changing your pension administrator, or are looking to outsource administration for the first time, we can help. Get in touch with one of our experts to find out more.



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