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Dear ITC Member

## **The Designation Process**

If you have decided that you wish your organisation to use the Performing Arts Stakeholder Pension Scheme, then there is a process that you are required to go through. This is called the Designation Process.

Primarily, you will need to ensure that your Board, or Senior Management Team are behind the decision to use this scheme. You can use the downloadable copy of my original report to ITC to help you explain the advantages of this scheme.

Once you are happy that this is the right scheme to use, you need to consult with your staff – i.e. the potential members.

This consultation process requires you to give information about the proposed scheme to everybody and then to give them time to consider and, potentially, object. Typically, you might allow a period of 14 days for this.

You can call staff meetings at the beginning of the consultation period, or you can use a letter. A sample letter is on the next page, adapted from the Pensions Regulator website [here](#).

Once you reach the end of this process, you should make contact with me to discuss the next steps. Of course, you are more than welcome to make contact prior to, or during this process if you need assistance.

All pretty straightforward really!

Kind regards

Tom Farrell  
Consultant

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### **Sample Consultation Letter**

Dear

We are considering formally choosing The Performing Arts Stakeholder Pension Scheme, managed by Clerical Medical, as our stakeholder pension. This scheme was specifically recommended for members of ITC, who sought Independent Financial Advice on our behalf.

But before we finalise this, we would like to take this opportunity to make you aware of our intentions, and to give you the chance to give us your thoughts.

Stakeholder pensions are intended to provide a low cost, privately funded, supplement to the basic state pension. Stakeholder pension rules require both the schemes and us as employers to meet a number of minimum standards to ensure value for money, flexibility and security for you. This means that:

- You cannot be charged more than a 1.5% annual administration charge for being a member of the scheme.
- You can pay in as little as £20 every time you contribute to the scheme.
- You can stop paying in, change your contribution levels or transfer your money out without having to face extra charges.
- If you want us to, we will deduct any contributions you wish to pay directly from your wages and pay your money into the scheme.
- Any contributions you make will be topped up by the Government in the form of tax relief. For example, if you pay tax at the standard rate, for every £80 you pay into the scheme, the Government will top this up to £100 without you having to do anything.

\*If you decide to join the scheme we will be prepared to pay [*enter level of proposed employer contribution*] to your own stakeholder account every month. The level of these payments may be reviewed by us in the future, but will be in addition to your current salary and benefits. Employer contributions are therefore a valuable new benefit to help employees provide for a more comfortable retirement.

We can supply further information about the scheme upon request. This scheme has been registered by the Pensions Regulator, the UK regulator of work-based pension schemes.

Please contact [*person at company responsible for pension provision*] by [*insert the length you want your consultation period to be*] if you would like to give us your views. If we do not hear from you by this date, we will formally choose Clerical Medical to provide our stakeholder pension scheme.

Yours sincerely

\*Please delete if appropriate

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