

# First Actuarial helps create a defined contribution pension scheme at Bolton Cares



## Key outcomes



**Selection of a leading pension provider, with a good reputation in the care sector**



**Savings on pension contributions with the implementation of salary sacrifice**



**Robust understanding of pension benefits and options across the workforce**

*Taking responsibility for care services previously provided by a local authority, Bolton Cares turned to First Actuarial for help in setting up a competitive and affordable DC pension scheme for its staff.*

### The challenge

Migrating from defined benefits to a defined contribution pension scheme

The transfer of care services from Bolton Council to Bolton Cares had pension implications for those staff-members with access to the defined benefit Local Government Pension Scheme.

Bolton Council and Bolton Cares together approached First Actuarial for help in smoothing the transition from the defined benefit scheme to a defined contribution one.

Bolton Cares had made a provisional choice of NEST as a pension scheme provider. Backed by the Government, NEST would give confidence to employees moving into that scheme. They were keen to validate this selection and to make the new

pension arrangement as cost-efficient as possible, for both the organisation and its employees.

Moving from defined benefit to defined contribution pension provision can be a sensitive staff issue. Bolton Cares was keen to help staff evaluate the pension benefits involved, so they could make the right choices for their own needs and circumstances.

“We wanted staff who were transferring from Bolton Council to make a fully-informed decision about whether to stay on the Council’s final salary scheme or move to the new defined contribution one,” says John Livesey, CEO of Bolton Cares.

### The solution

Managing change and helping employees understand their pensions

#### ▶ Selecting an appropriate defined contribution pension provider

To help Bolton Cares finalise its choice of provider for the new DC pension scheme, First Actuarial benchmarked the NEST pension scheme against other DC

arrangements available. This due diligence gave Bolton Cares the confidence to move forward with NEST, a leading DC pension scheme provider in the care sector.

## ► Implementing salary sacrifice with the NEST pension scheme

Bolton Cares was keen to introduce salary sacrifice, due to the cost efficiencies it would deliver to both employer and staff, with tax and National Insurance exemptions on pension contributions. “The finance team working on the project took advice from First Actuarial on the details of how that scheme would work and how we’d get it established,” says John Livesey.

First Actuarial supported Bolton Cares through the implementation of salary sacrifice for the NEST scheme. First Actuarial consultants ran a workshop for representatives from finance, HR, legal and payroll, discussing and agreeing the design of the salary sacrifice arrangement. Following the launch, First Actuarial sought and received HMRC approval for salary sacrifice at Bolton Cares.

## ► Supporting Bolton Cares Employees

First Actuarial engaged with the Bolton Cares employee communication process, advising and working closely with the project team.

As the NEST scheme was being implemented, First Actuarial gave presentations to staff on the differences between defined benefit and defined contribution pension schemes.

“First Actuarial worked with us in advance of the employee sessions to design the content and make sure we were comfortable with all the information they planned to present,”

says John Livesey. “Then they came in and met groups of staff, talking them through their pension options so they could be completely clear about the choices they were making.”

First Actuarial advisers also provided a booklet of FAQs, setting out the benefits of the LGPS defined benefit scheme, and the design of NEST.

For those employees who decided to join NEST, First Actuarial consultants produced written communications to staff, informing them of the decisions made in the salary sacrifice workshop.

## The outcome | A competitive and affordable pension scheme for staff

Bolton Cares now has a fully operational defined contribution pension scheme that is fit for purpose and cost-effective to run. Employees value the National Insurance savings they are able to make under the salary sacrifice arrangement.

This marks the culmination of a pension change process that ran smoothly from beginning to end.

First Actuarial continues to support the governance of the NEST scheme, advising Bolton Cares on how to apply for the PLSA Pensions Quality Mark – a kitemark for DC pension

schemes that meet certain criteria around contributions, governance and communications.

“We wanted to make sure we were able to offer good quality pensions, not just the basic workplace scheme,” says John. “First Actuarial were very helpful in the advice they gave us on the Quality Mark application process and the criteria we would have to meet, such as employer contributions. They’ve been really helpful and professional throughout the project, and we’ll use them again if we need specialist advice.”



*“They were very professional and their advice was really clearly presented. Throughout the project, they managed themselves in an independent way in terms of the information they provided our employees, which was accurate and complete.”*

**John Livesey,**  
CEO, Bolton Cares

