



**PENSION
QUALITY
MARK**

PQM APPLICATION FORM

**PENSIONS AND
LIFETIME SAVINGS
ASSOCIATION**

PQM APPLICATION FORM

You should complete this form if you wish to apply for PQM accreditation and the scheme for which you are applying meets the following eligibility criteria:

Any defined contribution (DC) scheme can apply for PQM. This includes trust-based arrangements (including where the trust has a defined benefit section), group personal pension schemes, group stakeholder schemes and group self-invested personal pensions (SIPPs). PQM is not available to defined benefit (DB) and hybrid schemes.

PQM is operated by the Pensions and Lifetime Savings Association (PLSA).

ABOUT THE PLSA

We're the Pensions and Lifetime Savings Association; we bring together the pensions industry and other parties to raise standards, share best practice, and support our members. We represent over 1,300 pension schemes with 20 million members and £1 trillion in assets, across master trusts and defined benefit, defined contribution, and local government schemes. Our members also include some 400 businesses which provide essential services and advice to UK pensions providers.

Our mission is to help everyone to achieve a better income in retirement. We work to get more people and money into retirement savings, to get more value out of those savings, and to build the confidence and understanding of savers.

www.plsa.co.uk

PRELIMINARY DETAILS:

Scheme name (exact name, incorporating employer's name and specific section of scheme)

Contact details and name of sponsoring employer (individual contact for scheme)

Details of consultant (if you are applying as a consultant or scheme representative)

Type of scheme

Which quality mark are you applying for? (refer to PQM standards for full details)

PQM

12% minimum contributions with at least 6% from the employer

PQM Plus

15% minimum contributions with at least 10% from the employer

FURTHER INSTRUCTIONS

Evidence you must provide to demonstrate that you meet the PQM Standards

The rest of this application form lists the documents which you must provide to demonstrate that you meet each of the five PQM Standards.

Each item should be copied into a single Word document. You may provide web-links where appropriate. This document should be provided with your completed application form (please refer to the PQM website for details).

Please tick each item to confirm you have included it in the application.

If you have queries or need further information, please contact us and we will be happy to assist.

What we will do with your application

Once we receive your completed application form and accompanying evidence, the PLSA will undertake a review in order to assess whether you meet the standards. As part of this review, we may share details of your application with external assessors. If we require further information, we may get in touch with you to discuss your application.

Your application and the data you have provided will be treated as confidential and any information will be managed in accordance with all relevant data protection regulations.

Further details about how we handle data can be found here:

<http://www.pensionqualitymark.org.uk/terms-of-use>

Terms and conditions

By submitting this application, you are agreeing to the Pension Quality Mark Terms and Conditions, available on the PQM website.

If your application is successful

You can expect to receive notification whether or not your application has been successful within a maximum of six weeks (normally you will receive notification within a few days).

Standard: EMPLOYER COMMITMENT

[Signed commitment document](#)

[Documents for new members](#)

[Guidance document for retiring members](#)

On renewal only:

[Report on members and contribution rates](#)

Guidance:

You must ensure that the employer supplies a **signed commitment document**. This must clearly state that the employer is committed to enrolling all employees at the minimum combined contribution rates of pensionable pay:

- ✓ 12% for PQM with at least 6% from the employer
- ✓ 15% for PQM Plus with at least 10% from the employer

The commitment document must state that you will meet this standard by 31 December 2021.

The commitment document must also set out what support and resources the employer intends to provide the trustee board or pension committee.

Documents for new members (made available to new and eligible members) must also clearly state that the employer is committed to providing the minimum PQM contribution levels.

The **guidance document for retiring members** should demonstrate additional support and signpost members to quality drawdown options. Alternatively, you can provide information which refers to additional supportive documentation or access to advice.

On renewal only:

You must provide a report on members and contribution rates which includes the following information:

- ✓ Percentage of eligible members that have joined the scheme since last renewal (or similar period)
- ✓ Percentage of members who are making and receiving the PQM rate of contribution
- ✓ Percentage of members who are making and receiving contributions below the PQM rate
- ✓ Percentage of members who are making and receiving contributions above the PQM rate (including regular Additional Voluntary Contributions (AVCs))

You may avoid duplication and provide some of this information in the **report on membership** (see next page).

Standard: UNDERSTANDING THE MEMBERSHIP

Report on membership

Guidance:

You must complete a **regular report on membership**, at least on an annual basis. You should supply the most recent report with your application or renewal.

This report should cover the demographic and financial profile of scheme members, including:

- ✓ Numbers of members who are: active, deferred, in decumulation
- ✓ Significant changes in membership
- ✓ Member movements including: numbers of new joiners, newly deferred members, and transfers in or out of the scheme
- ✓ Age profile of members
- ✓ Number of years to retirement/age 55/State Pension Age (SPA)
- ✓ Proportion of members who can be contacted
- ✓ Current contribution levels among active members, for example:
- ✓ Average percentage of income (split by employer and employee)
- ✓ Percentages of members contributing at different levels (e.g. percentages contributing: minimum, above minimum but below PQM level, at PQM level, above PQM level)
- ✓ Percentage of members in the default fund or making an active fund choice or switching
- ✓ At retirement behaviour, and choices made by scheme members

Applicants should also demonstrate the following understanding of members' attitudes, expectations and needs. This should either be included in the report on membership, or in alternative evidence such as the results of members surveys.

- ✓ Member expectations of how their pension will help them in retirement
- ✓ Member understanding of the options available to them at retirement
- ✓ How members make decisions at retirement about how to use their defined contribution (DC) pots
- ✓ How members would prefer the scheme to deliver both at retirement support and in retirement features
- ✓ What members think is important to them in considering value for money
- ✓ Evidence that schemes track the behaviour of members at retirement and any changing expectations or needs, where they have significant numbers of members approaching retirement

Standard: BOARD RESPONSIBILITIES

Scheme rules

Skills audit report and review of effectiveness

Training and recruitment plans

Board objectives and annual planner

Agenda and minutes

Board review document

Chair's statement

Guidance:

You must provide copies of your **scheme rules** as well as details of any trustee appointments or removals.

Where the scheme is governed by a pensions committee, you should also provide terms of reference, membership details, objectives and the frequency of meetings.

You should provide the most recent **skills audit report and review of effectiveness** of members of the board or committee. This review should be conducted on an annual basis and should also include an analysis of the diversity of the members.

Training and recruitment plans should clearly address any gaps in skills identified in the audit and review of effectiveness of the board or committee.

The **board objectives and annual planner** should set out objectives for the year ahead and also demonstrate how those objectives will be met. These may be separate documents, or included in any other documents, as appropriate.

You should provide sets of the most recent **agenda and minutes** of the board or committee and these should demonstrate that the annual plan has been managed effectively. Similarly, you should also provide an end of year board review document. This should include evidence of board members reviewing feedback from scheme members (including complaints).

You must also provide the most recent **Chair's statement**. Information on what should be included in a Chair's statement can be found on website of The Pensions Regulator (TPR) at www.thepensionsregulator.co.uk.

Standard: INVESTMENT STRATEGY

Default investment strategy review

Guidance:

You must provide a report or other document(s) which demonstrates that the board or committee has undertaken a **default investment strategy review** on a regular basis (and when triggered by particular circumstances).

The review should demonstrate that the following issues have been considered:

- ✓ Member risk tolerance and reasonable investment expectations and whether the investment objective of the default strategies match these
- ✓ The default fund performance against benchmark and competition
- ✓ An assessment of the investment manager's competence to deliver investment performance against the objective and competition
- ✓ Analysis of value for members

The review should evaluate actions taken in the last year to address any issues identified with the investment strategy and document how previous planned changes have been implemented effectively.

However, the review should also be forward, as well as backward-looking and should include a plan of action to address any issues identified.

Standard: MEMBER EXPERIENCE

Engagement strategy

Guidance:

You must provide an **engagement strategy**. The strategy should also include a plan for the member journey, that is inclusive and appropriate to the membership, particularly any vulnerable members.

It is best practice to set out in the strategy how the scheme engages with members, the resources it will devote to this and what outcomes it seeks for members through engagement.

The strategy should build on an analysis of risks to members from lack of engagement and how these risks might be addressed.

The strategy should also include a plan of actions for the coming year with their intended outcomes.



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