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PRESS RELEASE

PASA releases Exit Agreements Guidance

The PASA Exit Agreements Working Group (ExWG) today published Guidance on administration transfer Exit Agreements.

Kim Gubler, PASA Chair, commented: “Through PASA’s Dispute Resolution Service and the reported experiences of our members, we’re aware concerns around the smooth transfer of administration services are increasing. There’s a need to address these issues, which generally fall under the categories of:

- Delays
- Unreasonable charges, or ‘out of scope’ services not made clear at the outset
- Deterioration in the service provided during the notice period

In this Guidance, PASA’s [Code of Conduct on Administration Provider Transfers](#) (the Code) has been reviewed and reproduced to bring these issues to the forefront of our members’ and the industry’s minds when transferring administration. All corporate PASA members sign up to the Code as a condition of membership. The Code sets out a framework to enhance the transfer of services between administrators, gives clarity to all participants’ responsibilities and accountabilities, and limits the potential for delays. The smooth transfer of administration will be a key focus for PASA in the coming years.”

Robert Wakefield, Chair of the PASA Exit Agreements Working Group, commented: “A change of pensions administration provider should be managed in a professional manner between the administrators to ensure the interests of the trustees and the scheme members remain paramount, the transfer isn’t unnecessarily delayed, frustrated or rendered ineffective and crucially, service to pension savers is maintained.

We’re encouraging trustees to be pro-active and check their current contract to determine if there are contractually agreed terms on exit (an Exit Agreement). Recent agreements are more likely to include a clause on exit, but it’s common for these to be missing from older contracts. An Exit Agreement between the trustee and the ceding administrator should establish clarity on:

- the terms including Service Level Agreements (SLAs) for provision of information and data, and the stated responsibilities of the trustees and the ceding administrator
- scope of services covered
- fees, including any additional out of scope charges and the charge rates applied

The Guidance includes a template Exit Agreement which can be used as a schedule to an existing administration contract, a schedule within a new administration contract, or as a checklist for trustees and administrators to check their own Exit Agreement includes all recommended aspects.

This document is designed to support trustees, administrators and scheme managers to plan and manage a transition, ensuring a smooth handover and to troubleshoot solutions where stumbling blocks are encountered.”

The PASA Exit Agreement Guidance can be found [here](#).

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Notes To Editors

The Pensions Administration Standards Association (PASA) has been created to provide an independent infrastructure which will set, develop, guide and assess administration standards.

PASA will act as a focal point and engage with industry and government to create protocols for understanding good administration - but also appreciates there is no one size that fits all. PASA will develop evidential accreditation practices which will allow benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA will focus on three core activities.

1. Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
2. Publishing **Guidance** to support those standards
3. Being an independent accreditation body, assessing the achievement of good standards by schemes (regardless of provider)

There is no organisation providing such services across schemes, yet there is a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, scheme members and regulators.

About PASA Accreditation

PASA Accreditation is open to all corporate members of PASA (DB, DC, trust-based and contract-based schemes).

PASA Accreditation is granted following an independent evaluation and assessment process, which includes on-site visits and the review of documentation to evidence controls, procedures, process, staff development and contractual positions with clients.

Full details on PASA can be found by visiting www.pasa-uk.com

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