



PASA Exit Agreements Working Group

Exit Agreements Guidance

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1. Introduction

A change of pensions administration provider can be triggered for a variety of reasons including mergers/acquisitions, outsourcing, provider performance and competition.

Irrespective of the reason for change, the transition 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
- service to pension savers is maintained

This Guidance 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.

All corporate PASA members sign up to the [PASA Codes of Conduct](#) as a condition of membership, which includes the [Code of Conduct on Administration Provider Transfers](#) (the Code). 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 Code is voluntary for non-PASA members. You can check if the organisations involved in a transfer are PASA members [here](#).

The Code was first published in 2018 to address industry concerns about poor experience employers, trustees and newly appointed administrators encountered, and the subsequent effect on the service provided to pension savers.

Through PASA's Dispute Resolution Service (DRS) and the reported experiences of our members, we understand concerns around the smooth transfer of administration services are increasing. There's a need for more certainty to address these issues, which generally fall under the categories of:

- Delays – in attending handover meetings and providing data and records. Delays from the ceding administrator restrict the time available to the newly appointed administrator to validate and map records to their administration platform and test the programming of benefit calculations. These are critical activities providing a firm foundation for good and correct administration and shouldn't be rushed
- Unreasonable charges for completing the transfer of services, or 'out of scope' services which weren't made clear at the outset
- Deterioration in the service provided by the ceding administrator during the notice period

In this Guidance, the Code has been reviewed and reproduced to bring these issues to the forefront of our members' and the industry's minds when considering transferring administration.

2. Contract termination

On giving notice of termination, trustees should check their contract with the ceding administrator 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 on exit, 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

A template Exit Agreement, including Annexes titled 'Materials to be provided', 'Responsibilities' and 'Exit Charges', is provided in Appendix 2. The template can be used as:

- A schedule to an existing administration contract, or
- A schedule within a new administration contract, or
- A checklist for trustees and administrators to check their Exit Agreement includes all recommended aspects

If an Exit Agreement isn't already in place, a draft Exit Agreement should be provided to the trustee within 15 working days and the ceding administrator should facilitate its agreement.

Once an Exit Agreement has been agreed and signed, a transition plan or Project Initiation Document (PID) detailing actions and timescales can be drafted by the newly appointed administrator. This should be agreed between all stakeholders - the ceding administrator, the trustees and the newly appointed administrator.

It's recognised any Exit Charges will be dependent on the size and complexity of the scheme, and other scheme specifics which may influence the amount of work involved in provision of the transition to another provider. The table shown in Annex 3 is an example and all the requirements listed may not be appropriate or relevant to every scheme, and will depend on the depth of services being provided by the ceding and/or newly appointed administrator. For example, a small scheme with little movement may only require one extract and a list of changes before a transition.

3. Changes to the Code from 1 January 2023

To strengthen adherence to the Code and provide clarity around the transfer of services process, all administrators and trustees should take the following actions now, regardless of whether they anticipate being involved in a transfer of services shortly:

Trustees

- Review your administration contract to be clear on the agreed terms on termination
- If your administration contract doesn't include an exit clause, consider:
 - putting one in place, or
 - request a copy of your administrator's policy for transferring scheme administration (see Appendix 1)

Administrators

- Review, or put in place, a clearly stated policy on transferring schemes to a newly appointed administrator (see Appendix 1). This policy should reflect the Code and be:
 - provided to scheme trustees where existing contracts don't include an exit clause, and/or
 - available to trustees on request as a commitment to best practice on transferring administration services

Amendments to the Code with effect from 1 January 2023

The following two points will be added to the Code with effect from 01 January 2023:

1. For new administration appointments – the administration contract should include a clause setting out the terms in the event of a subsequent transfer of services
2. For existing appointments – administrators should have a clearly stated policy on transferring schemes to a newly appointed administrator which can be followed when existing contracts are silent on the issue. This policy should be available to trustees on request

We appreciate an in-house administrator may not have a contractual agreement with either its trustees or sponsoring employer. However, it's recommended best practice. In-house administrators can fulfil this requirement by providing a policy on transferring administration services (see Appendix 1).

4. The Code of Conduct (reproduced here)

The PASA Code of Conduct on Administration Provider Transfers is set out below, with the additions effective from 1 January 2023 highlighted. Please note, since it was first published, all corporate PASA members agree to adhere to this Code as a condition of membership. The numbering reflects that shown in the original document to keep all references consistent.

6. The Code of Conduct

The Code is presented in three sections:

6.1 Relates to ceding administrators

6.2 Relates to newly appointed administrators

6.3 Relates to all current administrators * **with effect from 01 January 2023** *

6.1 Ceding administrators

Ceding administrators should **conduct themselves professionally and work collaboratively** with the newly appointed administrator. It's a condition of membership corporate PASA members must be a signatory to PASA's Professional and Ethical Code of Conduct.

On receiving notice of termination, the ceding administrator must cooperate with the trustees and the newly appointed administrator in agreeing a **transition plan, as outlined in the PID**. The plan should specify the activities assigned to the ceding administrator and should set out delivery milestones in a timely manner. These activities will include, but aren't restricted to the following:

6.1.1 Representatives with a good working knowledge of the scheme will be made available to attend meetings with the newly appointed administrator **to disclose current administration practices**. This includes representatives from the payroll and scheme accounting functions, if these services are included and the activities have been segregated. Unless the administrators have this knowledge, an IT representative should be present who understands how member data is formatted and can be extracted for transfer to the newly appointed administrator. The number of meetings required will be dependent on the size and complexity of the scheme.

6.1.2 Reasonable timescales should be agreed between the ceding administrator and the newly appointed administrator for the provision of an initial extract of data, the delivery date being included in an agreed transition project plan or PID, to which the trustees are also a party. A delay while commercial terms are agreed between the ceding administrator and the trustees for its exiting activities should be mitigated by already having an agreed fee basis for these activities as described in sub-section 6.1.12 below. It would be very unusual to complete a robust transition in less than six weeks.

The extract from the ceding administrator will include **all of the member data held electronically**, including electronic images, together with a data dictionary clearly defining what data is held where. Control totals

should also be provided, where it's not difficult for the ceding administrator to do so. Further extracts may be required, as agreed in the transition project plan, before a final cut of all member data is provided. Usually this will be in the same format (unless changes have been agreed with the newly appointed administrator) and on a date soon before the final transfer of administration to be agreed with the newly appointed administrator.

Where the ceding administrator holds paper records, these may cover scheme business and/or member records. Arrangements should be made to pass these files over without undue cost (see 6.1.11 below).

6.1.3 The standard of **on-going routine administration during the transition period** mustn't deteriorate. The ceding administrator should continue to complete regular tasks and any previously agreed in train projects, including updating member records for all work received up to an agreed cut-off date shortly before an agreed final transfer date. This should be reflected in the transition plan agreed by both the newly appointed and ceding administrator.

6.1.4 The ceding administrator should make sure the newly appointed administrator has been made aware of any assessment reports provided to the trustees to show the **condition of member data**. This includes:

- the degree to which the data meets The Pension Regulator's (TPR) targets for Common and Scheme Specific Data
- any concerns raised by the ceding administrator with the trustees about the completeness or accuracy of data
- any exercises planned to improve the quality of member data, but not yet completed

6.1.5 For **Defined Benefit (DB) schemes**, the ceding administrator should pass to the newly appointed administrator copies of any scheme documentation relating to the benefit calculation formulae received from:

- a previous administrator
- appointed Scheme Actuary
- trustees directly, in relevant minutes of their meetings
- legal advisors to the trustees
- a pensions manager
- any third party acting on behalf of the trustees

6.1.6 If the trustees previously appointed the Scheme Actuary to produce any form of calculation spreadsheet provided to the ceding administrator, PASA recommends a copy is passed to the newly appointed administrator. If this isn't possible, then the basis of the member calculations should be made available.

- 6.1.7 For **Defined Contribution (DC) schemes**, frequent reconciliations should have taken place. These would be of the aggregate investment units recorded for each member and the total unit holdings at the investment manager(s). It's incumbent on the ceding administrator these reconciliations are completely up to date as at the time of the transfer. With any variances accounted for and explained to both the trustees (for a trust based scheme) or sponsoring employer for other DC arrangement and the newly appointed administrator. The ceding administrator will make the newly appointed administrator aware of open and closed investment funds in which members have unit holdings, default funds used on entry and past and present life-style arrangements. A full history of transactions (subject to the ceding administrator having received this information from a previous provider) should be available for transfer for each member who has a current investment holding. The degree to which only 'rolled up' member record control totals are migrated (as an alternative to full historical member record control totals) must be agreed with the trustees. Where this is agreed, an archive of historical data should be retained by the ceding administrator without limitation of duration. This approach is recommended by TPR. If the trustees/scheme manager agrees, the archive can be provided to the newly appointed administrator for safe keeping.
- 6.1.8 The ceding administrator will make available appropriate **representatives** with a good working knowledge of the scheme **to answer any questions** the newly appointed administrator may have in relation to the administration practices adopted with respect to calculations for members' benefits. Such questions should be answered promptly – we suggest seven days from receipt would be reasonable in most cases. However, the key is having the timescale agreed by both parties.
- 6.1.9 Shortly before the transfer date, the ceding administrator will make ready all of its **paper files** and other records held in a non-electronic form. For example, paper, microfiche or compact disc, whether held on-site or remotely, for secure transportation to be arranged with the newly appointed administrator. If the data is held in an archive facility, responsibility can pass between the two without physically moving the files.
- 6.1.10 While some administrators can be data controllers, PASA subscribes to the principle trustees own all **data relating to members** created by an administrator which an administrator then holds on their behalf. We recommend as much of the data created as possible is passed to the newly appointed administrator to ensure the smooth transfer of business.

In drawing up a Code of Conduct, PASA doesn't wish to set out a requirement an administrator can't legally comply with. We therefore accept ceding administrators may choose to withhold some member data for the reasons below:

- Pro-forma and templates used for calculating member entitlements and benefit specifications may be legally viewed as intellectual property the ceding administrator wouldn't wish to pass on to the newly appointed administrator. That being the case, the basis of any calculations belongs to the trustees

- The ceding administrator may decide to retain their worked calculations of member entitlements in case they need to defend against a complaint or legal claim for work done while they were administering the scheme, where handing across this information could invalidate their professional indemnity cover by an insurance provider

6.1.11 To avoid an expense for either the ceding administrator (or the trustees if this expense is to be passed on), PASA recommends copies of any paper files held by the ceding administrator don't need to be taken and retained. However, member files aren't working papers and shouldn't be treated as such. Ceding administrators should take care not to leave actual working papers in member files. For working papers there can be a written agreement between the newly appointed administrator and the ceding administrator that copies of relevant files will be returned to the ceding administrator if required. Examples might be if either the newly appointed administrator has questions relating to information on the paper files, or if a claim for compensation is made against the ceding administrator for previous work done.

As in 6.1.10 above, this is another area where legal advice to a ceding administrator and/or the terms of the ceding administrator's professional indemnity policy might prevent some of the documents in files being passed across. If documents are being retained for legal protection, PASA considers this is for the business interests of the ceding administrator rather than the trustees and so no charge should be levied to the trustees for either copying or retention.

6.1.12 PASA doesn't wish to interfere in the commercial relationship existing between a ceding administrator and its trustees by prescribing a **level of fee** to be charged by the ceding provider for providing data, participation in meetings or answering reasonable questions from the newly appointed administrator. PASA considers reasonable costs incurred by the ceding administrator should be met and paid promptly. However, a ceding administrator shouldn't seek to take advantage of the dependence of a successful transfer on its release of information, particularly member data, by charging a disproportionate amount in relation to its incurred additional costs. In most cases, a time-cost basis of charging can be most appropriate with the same charge-out rates previously agreed with trustees as the basis for exit fees (see Section 4). Or otherwise using the same rates as would be used for any other out of scope project work. PASA recognises some trustees may prefer to agree a fixed fee but the same principle of charging only an amount commensurate with the work done applies.

6.1.13 The ceding administrator should **not seek any form of indemnity from trustees to avoid future litigation either in respect of the standard of administration it has provided, or the accuracy of the information passed over to the newly appointed administrator on exit.**

6.2 Newly appointed administrators

Successful transitions are, of course, also very dependent on the people deployed and procedures used by the newly appointed administrator.

Paragraphs 6.2.1 to 6.2.8 below reflect PASA's expectations of newly appointed administrators:

6.2.1 The newly appointed administrator should put in place recognised project-management discipline/structures, which includes:

- Producing an **overview project plan**, clearly setting out the activities required, and by when, from all parties, including the ceding administrator and/or pensioner payroll provider, the sponsoring employer(s) and any other third parties providing relevant outsourced services (for example, company payroll), and the trustees. The draft plan should be circulated for review and input by all parties included for actions in the plan as soon as possible after appointment and agreement sought
- Establishing which key stakeholders, for example, pensions manager or chair of trustees, will assume the role of **project sponsor**. This will be the person to whom issues should be escalated for resolution, as a last resort, if an impasse occurs. Similarly, a 'go to' person at the ceding administrator should also be identified, as a person who can resolve issues and enable the project to progress
- **Project managing activities** by all parties in accordance with the jointly agreed plan
- Reporting **progress against the project plan** to all parties participating in the transfer activities on a regular basis to be agreed with the project sponsor, but no less frequently than monthly
- **Address any actual or anticipated delay immediately** if the final handover time is likely to be impacted. If this isn't readily achievable the issue must be escalated to the sponsor for resolution or (exceptionally) an agreement to change the timing of the transfer
- Maintaining and actively managing both an **issues and a risks log**

6.2.2 The newly appointed administrator, acting on behalf of the project sponsor of the transfer (as described in 6.2.1 above), should **arrange a meeting with representatives of the ceding administrator**, including members of their internal or external IT support areas. This should take place as early as is convenient after both parties have been advised of the decision to transfer administration. The new administrator should seek to encourage a positive and co-operative relationship with the ceding administrator for the benefit of the scheme and members. Previous administration issues should be resolved in the spirit of co-operation and goodwill. The newly appointed administrator should draw up an agenda for this meeting to cover, among other aspects:

- The transfer of electronic member data (including test cuts, further and final cuts of scheme and member data, pensions payroll, accounting and banking data if any is held separately to other data)
- The transfer of (or transfer of access to) any paper records relating to members, including any archived files

- Known concerns over Common or Scheme Specific Data, awareness of previous exercises to improve the quality of data and any previously planned or agreed data cleansing activity which hasn't yet been completed
- Documentation of current benefit calculation formulae in use and its source (for example, from the appointed Scheme Actuary)
- Discussion and, if possible within the meeting, agreement to ownership and timings of all activity strands in the high-level project plan
- The process for handling enquiries the newly appointed administrator will wish to put to the ceding administrator during the transfer period and an agreed expectation of response times

6.2.3 The newly appointed administrator (or any parties to which it's delegated some or all of its transfer activities) should draw on its experience of previous transfers and its due diligence of the scheme to recommend a **time-scale** for the transfer. This should identify and mitigate any high risks of transferring at a time coinciding with known large-scale activities such as pension increases, valuation data extract, a bulk investment switch for DC members or a planned redundancy exercise. Without unnecessarily protracting the time the transfer will take, the newly appointed administrator should allow for all of the time it will require to thoroughly map and validate the data it receives and consider any other information relevant to the good operation of the scheme. The newly appointed administrator should also allow enough time to gain a full understanding of benefit entitlements. Although this is a parallel activity to the work on data and many of the complexities of benefit calculations will relate to the tranching of benefits subject to different rates of increases pre and post retirement and how data is stored to reflect this.

6.2.4 The newly appointed administrator should **inspect the latest version of the trust deed and rules** and any subsequent addendums to independently determine the basis for member benefit calculations. PASA encourages newly appointed administrators to seek agreement to its understanding of benefits from the appointed Scheme Actuary/legal adviser. Any divergence between the newly appointed administrator's understanding of the benefits from these source documents and the current bases the ceding administrator has been using should be highlighted to the trustees for clarification.

6.2.5 If the scheme still has active members, the newly appointed administrator should **produce an administration manual** which enables payroll and/or HR departments (or a payroll bureau if this activity is outsourced) to clearly understand what information is needed from them, in what format and frequency. Examples are salaries, contributions, joiners (allowing for auto-enrolment requirements), and leavers. The newly appointed administrator should meet with those who'll be supplying data to confirm understanding of requirements is recommended to take place before the transfer date.

6.2.6 The newly appointed and ceding administrators, together with the trustees, should **agree the timing for cessation of day-to-day activities (also known as the blackout period)**, such as dealing with member requests for information or quotations. It's usual practice for new enquiries to be stockpiled for a short

duration before the transfer date rather than for outstanding work to be passed across part-completed, but members should be advised if they are likely to experience more than a few days' delay.

While the paragraphs above relate to the critical areas of data and benefit calculations, the project plan for the transfer should also include the two following important strands:

6.2.7 Communication of the change of administrator to all scheme members, including new contact details, change of tax office and reference for pensioners. We expect a communication to be issued by the newly appointed administrator on behalf of the trustees.

6.2.8 Setting up the **process by which the on-going performance of the newly appointed administrator will be monitored, reported on and reviewed** with the trustees to reflect the Client Agreement.

With effect from 01 January 2023

6.2.9 The administration contract between the trustees and the newly appointed administrator should include a clause setting out the terms in the event of a subsequent transfer of services.

With effect from 01 January 2023

6.3 Current administrators

For all existing appointments, administrators should have a clearly stated termination policy including transferring schemes to a newly appointed administrator to be followed when existing contracts are silent on the issue. This policy should be made available to trustees on request.

5. PASA Transitions Dispute Resolution Service (DRS)

PASA offers a DRS to schemes experiencing difficulty in moving from one administrator to another. The service is designed to offer an expert and impartial view on whether the parties have acted in line with the detail and spirit of the Code and to bring the parties together in a positive way. Thereby enabling the smoother transfer of administration and services. PASA representatives considering any issue brought forward for mediation will be brought together to form a Determinations Board, members of which will always be independent of any commercial third party administrator (TPAs). The DRS is easy to access and affordable to schemes affected.

The service is n't a vehicle for TPA's to bring their general disputes for resolution. For PASA to investigate any issue, an authorised signatory of a specific scheme must complete and sign a **complaint form**.

The detail of any complaint is confidential, and advice given by PASA is an opinion given in good faith on the basis of the documents and information made available. Neither PASA nor its officers can be held responsible in law for opinions expressed, nor should any such opinion be regarded as grounds for legal action. All corporate members are bound by PASA's Codes of Conduct and agree to their remedies. If the Determinations Board finds a corporate

member involved in the transfer has acted to the detriment of the Code, it may impose an appropriate remedy. There is also an appeals process.

The DRS was introduced in May 2018 and is free for schemes where at least one of the administrators involved are corporate or scheme members of PASA. Where none of the parties are members, PASA reserves the right to charge the scheme accessing the service. However, any cost would be to cover the time and effort required and will be agreed with the affected trustee before any investigation takes place.

Appendix 1 – template policy on transferring administration services

Policy on notification of termination of administration services

Introduction

Administrator name is committed to providing a high quality service to our clients on receiving notice of a termination of services. [We are a corporate member of PASA and agree to abide by the [Code of Conduct on Administration Provider Transfers](#) (the Code) as a condition of membership.] / [We are not a corporate member of PASA but adhere to the PASA [Code of Conduct on Administration Provider Transfers](#) (the Code)].

Our commitment

Upon receiving notification of the termination of services, **Administrator name** will provide a draft Exit Agreement to the Trustee within 15 working days and the ceding administrator should facilitate its agreement. The Exit Agreement should allow for the orderly hand over of services with the minimum of interruption and inconvenience to the Trustee, the Scheme and its members. This Exit Agreement will be based on either:

- The exit clause stated in the administration agreement
- **Administrator name's** standard Exit Agreement, reviewed and agreed by the Trustee

Administrator name's standard Exit Agreement meets the requirements of the PASA Code, and includes details of:

- The terms on exit, including Service Level Agreements (SLAs) for provision 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

All the information and meetings required for a successful handover will be provided within a reasonable timescale without any undue delays with minimal disruption to the ongoing administration service during the notice period and for six months after the transfer date.

Appendix 2 – Exit Agreement/Exit Clause template

DEFINITIONS

For the purposes of this Exit Agreement, the following definitions shall apply:

Agreement the contract for provision of pensions administration services which is being terminated.

Exit Charges the charges, costs and expenses to be agreed by the parties (in accordance with the principles set out in the Code) and payable to the Administrator for the provision of the services set out in this Exit Agreement Schedule.

Exit Manager , the person appointed by the Administrator pursuant to paragraph 2.1 for managing the parties' respective obligations under this Schedule.

Exit Period the period commencing on the serving of a termination notice by a party and expiring at an agreed point after the Transfer Date supplied on termination of this Agreement. This period will include agreed continued support the agreed period of time after the newly appointed administrator has begun administering the scheme. This can be between three and six months.

Exit Services the services to be provided on termination, as set out in paragraph 4.1 under this Schedule.

Objective the orderly, timely and uninterrupted transfer from the Administrator to a delegated third party of the Services being terminated (including the transfer of Client Data and Client Member Records) so as to enable the Client and/or the Successor to operate and/or receive the replacement services (equivalent to the Services) with effect from the date on which the Services (save for those Services referred to in this Schedule as Exit Services) cease to be provided, without any adverse impact on the continued delivery of all Services during this period as set out in the PASA Code of Conduct on Administration Provider Transfers.

Successor the newly appointed administrator.

Transfer Date the date of termination for the main Services outlined in the service specification, under this Agreement.

1. Overview

1.1 If the Agreement for provision of pensions administration services is terminated, the Administrator has agreed to provide such services to the Client as are reasonably required by the Client to facilitate the orderly and smooth termination or transfer to the Client or the Successor (the 'Exit Services'), in accordance with this Schedule (Exit Agreement). The Administrator agrees to conduct the supply of the Services during the term of this Agreement in such a way as to support the Objective. The provision of the Exit Services by the Administrator is in addition to the

delivery of all other Services which would ordinarily be performed under this Agreement and is subject to the payment of agreed Exit Charges.

1.2 All Exit Services set out in paragraphs 4.1 shall be subject to Exit Charges as set out in Annex 3 of this Schedule, save in the case where exceptional circumstances apply, for example: the Administrator or the Client (as applicable) have terminated this Agreement due to a cause previously agreed where the Administrator shall provide any Exit Services without charge to the Client.

1.3 In return for the provision of the Exit Services the Client agrees to pay the Exit Charges to the Administrator (to the extent only that Exit Charges apply to such Exit Services, and in accordance with the principles set out in Appendix 3). The invoicing and payment of the Exit Charges shall be handled in accordance with the invoicing and payment terms of this Agreement.

2. EXIT MANAGEMENT

2.1 The Administrator will appoint an Exit Manager who will be responsible for ensuring the respective employees, agents and sub-contractors of the party appointing him or her, comply with this Schedule (Exit Agreement).

2.2 The Administrator will ensure its Exit Manager has the requisite authority to arrange and procure any of its resources as are reasonably necessary to enable it to comply with this Schedule (Exit Agreement).

2.3 The Exit Manager will liaise with the Client in relation to all issues relevant to the termination of this Agreement and all matters connected with this Schedule (Exit Agreement) and each party's compliance with it and report as appropriate to the parties via the agreed governance procedures.

3. RETURN OF RECORDS

3.1 At the end of the Exit Period, as soon as reasonably practicable, the Administrator will return to the Client or Successor all Client Data and Client Member Records, whether maintained on its computers, hard copy or other form (and including copies in off-line storage and security copies), in the following formats:

3.1.1 all client data and client member records required for the calculation of benefits will be supplied electronically in and industry standard format, if such Data and records were provided to the Administrator by the Client in electronic format at the commencement date or have been converted to electronic format as part of a change since the commencement date.

3.1.2 All scanned copy documents will be supplied in a commonly used readable format; and

3.1.3 All hard copy documents will be supplied in hard copy form, or responsibility will be transferred if held in archive

4. EXIT SERVICES

4.1 Subject to payment of the Exit Charges, the Exit Services to be provided by the Administrator shall include:

4.1.1 The transfer by the Administrator to the Client or Successor of Client Data and Client Member Records used by the Administrator to perform the Services

4.1.2 The provision to the Client of any additional assistance or resource requested by the Client to allow the Services to continue without material interruption or material adverse effect and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Client or Successor

4.1.3 With respect to work in progress as at the end of the Exit Period, documenting the status of outstanding cases

4.1.5 Completing in a diligent manner and in accordance with the terms of this Agreement any of the Services which were in the course of being provided and which were outstanding as at the date of termination, unless agreed otherwise by the parties

4.1.6 Supplying the Client with those materials listed in Annex 1 to this Schedule.

4.2 The Administrator agrees to generally co-operate with the Client and any Successor to achieve the Objective.

5. KNOWLEDGE TRANSFER

5.1 Subject to payment by the Client of the Exit Charges, the Administrator shall provide the following Services set out in this paragraph 5:

5.2 The Administrator will transfer all relevant knowledge (e.g. scheme specific processes) to the Client and/or the Successor (as applicable) to the extent it is relevant and reasonably requested for the provision of the replacement services.

5.3 The information which the Administrator will provide to further effect the obligations in paragraph 5.2 above includes (without limitation) information relating to the Services regarding additional services/projects and associated unresolved queries, errors and other work in progress by the Administrator at the commencement of the Exit Period and, to the extent possible, those expected to be in progress at the Transfer Date. This information will be updated by the parties by the Transfer Date.

5.4 Following the Transfer Date and for a period of (n) months, the Administrator shall promptly respond to all requests for information which the Client may submit, providing information (including documents and data) requested or which is otherwise desirable to respond to the request in a fully informative manner. The Administrator shall maintain all relevant records and other relevant resources for a sufficient time to enable it to respond in full.

6. GENERAL

6.1 From the commencement of the Exit Period until the Transfer Date, the Exit Services will be provided at no material detriment to the performance of the Services in accordance with this Agreement.

6.2 The Administrator shall always act in accordance with the Objective.

6.3 The parties acknowledge the migration of the Services from the **Administrator** to the Client or the Successor may be phased, such that certain of the Services are handed over before others.

Exit Agreement Annex 1 - Materials to be provided on transition

1. SCHEME DATA, INCLUDING:

- 1.1 Extract of membership data for each membership status
- 1.2 Data layout specification
- 1.3 Data key explaining codes and data items

2. DELIVERABLES AND RECORDS RELATING TO THE SERVICES INCLUDING, BUT NOT LIMITED TO:

- 2.1 Work in progress files
- 2.2 Files supporting current unresolved complaints
- 2.3 All scheme accounting information, including but not limited to cash books, reconciliations, scheme accounts
- 2.4 A copy of the latest benefit statement extracts
- 2.6 Fully-indexed EDM records for each Scheme Member
- 2.7 Copies of the latest monthly and quarterly administration reports
- 2.8 Bespoke letters (NB. the standard letter suite will not be handed over, but copies of all letters will be included on individual EDM files)
- 2.9 Work in progress list
- 2.10 Paper copies of any work received, or paper files created after the final EDM cut is taken, to allow sufficient background for each case to be dealt with
- 2.11 the PAYE reference (if applicable).

3. SCHEME DOCUMENTATION, INCLUDING:

- 3.1 Current Trust Deed and Rules*
- 3.2 Historic versions of Trust Deed and Rules*
- 3.3 Announcements*
- 3.4 Scheme booklets*
- 3.5 Copy of last common data report
- 3.6 Copy of last conditional/scheme specific data report

* These may be provided by the trustee or accessed on the scheme's document portal

Exit Agreement Annex 2 – Responsibilities

The parties to the Exit Agreement agree to provide the following:

Client/Trustee

- The Client will provide authority to the Administrator to provide scheme and member data to the Successor
- The Client will provide authority to the Administrator to close any Trustee bank accounts associated with the scheme administration and to transfer the balance to the new account as necessary

Administrator name

- The Administrator shall continue to provide all ongoing administrative services and reporting as detailed in the Agreement, until the Transfer Date
- The Administrator shall provide Exit Services as detailed in section 4.1 of the Exit Agreement
- The Administrator shall produce a transition plan for agreement with the Client and newly appointed administrator, and provide services as agreed in the document

Exit Agreement Annex 3 –Exit Charges

The exit charges set out below will be subject to annual indexation as set out in the Agreement.

Any Services provided in addition to the below will be charged at a fixed cost agreed in advance between the Client and the Administrator or charged using the Administrator’s standard rate card. Regular reporting against any estimates will be provided by the Administrator and additional costs agreed in advance between the Client and the Administrator.

Ref	Activity	Timescales	Fixed Fee £	Time cost £
1	<p>Test Data Extract:</p> <p>a) One full data extract for active, deferred, pensioners and no liability members</p> <p>b) One full payroll data extract (where applicable)</p> <p>c) Control totals and decodes for field names, type and length (data dictionary)</p> <p>d) A representative sample of XX system Member Prints per scheme as selected by the Administrator</p>	Within 10 working days following agreement of the transition plan/PID or a later date as agreed		
2	<p>Scheme Information:</p> <p>a) Completion of the Successor’s standard Scheme Due Diligence Questionnaire</p>	Within 10 working days following agreement of the transition plan / PID or a later date as agreed		
3	<p>Knowledge Transfer:</p> <p>a) Responses to the queries raised using agreed query log</p> <p>b) Attendance of Subject Matter Experts (SMEs) at one workshop per work-stream for ‘administration’, ‘payroll’ and ‘accounts & treasury’</p>	Within 5-10 working days of request, or other date as agreed with the Successor		
4	<p>Pensioner Payroll Parallel Testing:</p> <p>a) Two Gross to Net and P14 reporting in standard format for specified payroll</p> <p>b) Responses to queries from Successor on parallel testing results</p>	Within 5 working days of request or other date as agreed with the Successor		
5	<p>Live Data Extracts:</p> <p>a) One full data extract for active, deferred, pensioners and no liability members</p> <p>b) One full payroll data extract (where applicable)</p> <p>c) Control totals. Where applicable a DC reconciliation provided at the point the live extract is produced.</p>	Within 5 working days of request or other date as agreed with the Successor		

6	<p>Imaging Extract:</p> <p>a) Full image data extract</p> <p>b) Index in standard format</p> <p>c) Responses to the queries raised using standard Query Log</p>	<p>Within 5 working days of Exit Date or as agreed with the Successor</p>		
7	<p>Accounts & Treasury Handover:</p> <p>a) A signed copy of last audited Trustees' Report & Accounts</p> <p>b) A closing trial balance as at the date of the last audited Accounts once final set of Accounts has been signed off</p> <p>c) Breakdown of any debtors/creditors at year end as required and analysis of the prior year Fair Value Hierarchy disclosure</p> <p>d) Contact details for Investment Managers and AVC providers to support disclosures made as at the date of the last audited Financial Statements</p> <p>e) Copies of bank statements from the date of the last audited Financial Statements to date of closure at the point of closure</p> <p>f) A cash book detailing the receipts and payments made through the above bank account from the date of the last audited Financial Statements to closure at the point of closure</p> <p>g) A closing bank reconciliation as at the date of the last audited Financial Statements</p> <p>h) Copies of the last SA970 and Accounting for Tax returns submitted. (The Trustees must authorise the new administrator as the new practitioner with HMRC for E-filing)</p> <p>i) Closure of bank account (the Administrator to initiate closure process with the bank at the Transfer Date) and transfer of balance to Successor account on completion</p> <p>j) Responses to the queries raised using standard Query Log</p>	<p>Within 60 working days of request or as agreed with the Successor</p>		
8	<p>Work in Progress (WIP):</p> <p>a) Standard WIP template to show open (new and existing) cases with case detail</p> <p>b) Attendance of related calls to support oversight of the execution of handover</p>	<p>WIP report provided at blackout and again at Transfer Date</p>		

	<p>c) Handover of Annual Event Report submissions for tax year to transition</p> <p>d) Transfer of all paper files to Successor</p> <p>e) Closure of Payroll and EDI Tax reference with HMRC (if required)</p>			
9	<p>Member Communications</p> <p>a) Provision of name and address extract for member communications</p> <p>b) Pension administration mailbox – the Administrator’s standard messaging at blackout and again at Transfer Date. Pension administration mailbox closed 1 month after TransferDate</p> <p>c) Pension helpline closed at Transfer Date and Successor message enabled for 1 month - no helpline</p> <p>d) Hard copy post mail forwarding for 6 months (thereafter return to sender)</p>	<p>Within 5 working days of any request</p>		
10	<p>Post Transition Support:</p> <p>a) Consulting support for Successor on an as needed basis for 6 monthss following the Transfer Date or to the point of closure of scheme bank account</p>	<p>Up to 6 months after Transfer Date</p>		
11	<p>Project & Client Management:</p> <p>a) Attendance at one project initiation / planning workshop with Successor</p> <p>b) Coordination of the Administrator transition activities and application of appropriate project management governance</p> <p>c) Representation of the Administrator on two project calls per month arranged/chaired by Successor/Client</p> <p>d) Co-ordination of ad hoc queries received from successor throughout the project).</p>			
Total Fees				

Get in touch:

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