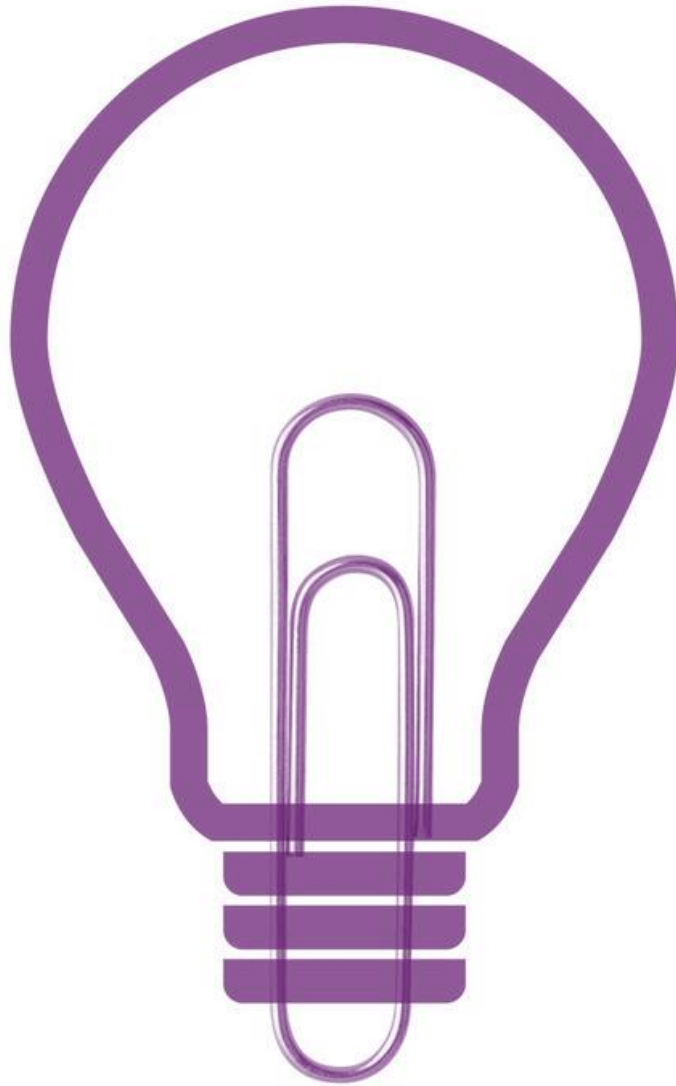


## **Illuminating advice**

Assisting independent schools  
with pension cost and risk  
management





## Leading education and pensions practices

Eversheds Sutherland's award-winning pensions and education practices, include a dedicated education sector pensions team.

This team specialises in advising clients on their obligations under the complex rules of the pension schemes applicable to independent schools, including the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS").

The team is nationally recognised for its expertise in this area and has extensive experience of advising independent schools on a whole range of pension issues. Recent work in the sector has focused on advising independent schools on implementing significant changes to pension benefits, including exiting the TPS and introducing new defined contribution ("DC") pension arrangements or offering access to a DC pension scheme alongside the TPS for teachers that wish to opt out of the TPS.



## The current issues

- Impact of increase in the employer contribution rate for schools participating in the TPS
- Decreased fee income arising from COVID
- Impact of staff benefits packages on a school's ability to recruit and retain the best teaching staff
- Whether to move to a DC pension (which are usually cheaper for the school) and leave the TPS
- Whether to retain the TPS with cost sharing and/or a DC scheme in parallel
- DC pensions options including master trusts, group personal pension, auto-enrolment
- Employer and employee contributions in DC provision
- Employment law considerations: consultation, contractual changes and impact on industrial relations
- Implications for death benefit arrangements
- Income protection plans



## What we do for clients

All of our lawyers take a proactive and commercial approach to their work based on risk management principles. We are always mindful of the need to secure outcomes which preserve the reputation of independent schools and the high levels of scrutiny they are subject to from their many stakeholders.

We pride ourselves on being accountable and straightforward and being able to build long term, lasting relationships with our clients. We see it as our job to share our knowledge and expertise in the legal field, to allow your team to feel supported and confident that they have the backing they need to provide first class services.

We regularly advise and work with independent schools, speak at sector events, add our voice to current debates and produce regular monthly speedbriefs.



## Streamlined advice

Our team know that some matters, such as changing pension provision, carry significant financial and reputational risk. Schools need seamless advice from genuine employment and pensions specialists who fully understand the issues and who can provide a one stop shop for advice across the project.

Our pensions and employment teams work closely together advising independent schools on pension change projects ensuring legal and regulatory compliance and minimising risks. We also offer HR consultancy and project management services and can link independent schools in with recommended benefit consultants to advise on costings.

Our pensions and employment teams are supported by Eversheds Sutherland's national education team which has vast experience of providing governance and charity law advice to the sector so you can be assured that the advice we give will be set in the right context.



## Case study

We advised a well-known independent school on its exit from the TPS and the introduction of a new DC scheme.

The school participated in the TPS and faced a substantial increase in the employer contribution rate from 2019. The school needed to understand its options for mitigating the cost increase.

We advised the school on how it could provide an alternative DC pension scheme (compliant with auto-enrolment obligations) and exit the TPS, which would reduce its pensions costs and risk.

In this case, implementation of a DC alternative required a variation to the employees' contracts of employment.

Initially we attended a meeting with school managers to understand their position and to fully scope out the advice required.

We produced a paper on the school's options setting out clearly the pros and cons of each choice. The paper included recommendations on a way forward. We attended a meeting with senior staff and governors to present our report.

Once the school had decided on its next step, we worked closely with the leadership team to produce a detailed route map through the project, setting out key dates and deliverables ensuring that responsibility for delivery of each step was clear.

We advised on the staff consultation process ensuring that those managing the engagement with staff were able to do so with confidence.

We drafted amendments to contracts and supporting correspondence to staff and pension scheme administrators. We also provided FAQ documents and assisted managers with responding fully to any queries raised by staff as the project progressed.

The school was provided with a dedicated client service team, members of whom had invested time in getting to know key school staff and who made themselves available to respond to urgent queries, often outside the normal working day.

At the outset the client was provided with a clear fee estimate identifying the fees for different work streams. The project was delivered on time and on budget.

By following our advice the school achieved the cost savings it needed to make. It also maintained good industrial relations with its teaching staff throughout and avoided any employment litigation.



*The quality of the work, expertise and representation has been consistently excellent.*

### Chambers and Partners

*A really strong pension team with a genuinely pragmatic approach coupled with strong and clear communication skills.*

*We have been consistently impressed with the advice we have received from Eversheds Sutherland. The individuals we have dealt with have consistently provided excellent service. They have provided innovative solutions to complex scenarios, and have communicated the issue and solution clearly. They have a wide range of expertise and have always been able to find a specialist who can provide the required input into an issue. They adopt a pragmatic approach and in our experience get to the right answer more quickly than other advisers we have worked with.*

*I've found Eversheds Sutherland to be very responsive, experienced and well connected. In particular the depth and breadth of expertise, and ability for those from different disciplines to work together to provide a seamless service is impressive. Their knowledge of what's going on in industry, government and other circles is helpful and impressive.*



## Key Contacts

For more information, please contact the following or your usual Eversheds Sutherland contact:



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### European Pensions Awards 2020

Law Firm of the Year

### Financial Times PIPA 2020

Commended, Pensions Law  
Firm of the Year

### Financial Times PIPA 2019

Twenty Years of Excellence in  
Legal Advice

### Pensions Age Awards 2018 & 2016

Pensions Law Firm of the Year

### Professional Pensions UK Pensions Awards

Pension Lawyers of the Year  
2017

