



GODDARD PERRY  
CONSULTING

# Press release

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## Goddard Perry Consulting Warns Occupational DC Schemes Of Ticking Time Bomb

Goddard Perry Consulting (GPC), a leading Employee Benefits Consultancy, today warned Occupational DC schemes who are experiencing an ever increasing rise in the number of deferred members that they could be sitting on a time-bomb of rising costs up to £5.3 million over the next 25 years.

Steve Goddard, Managing Director of GPC, said 'DC schemes are now 10-15 years old and hold a large number of deferred members. Administration fees alone for DC deferred members could cost up to £100 per annum, per member but there are now opportunities to de-risk deferreds.'

Goddard added, 'We have carried out some actuarial analysis on this theme based on a £90 fee per year for each deferred member increasing at 3% per annum, we assumed 2000 deferreds rising by 100 deferreds per annum. We then assumed an average age of 40 and a retirement age of 65 and discounted future cashflow at 5% a year representing a low risk return, as might be assumed by the company on its cash deposits.'

This actuarial analysis for future costs are startling - a projected cost to the employer of £5.3 Million for deferred members over the next 25 years is, we believe, a cost that is not being accounted for.

To defuse the "time-bomb" there are many de-risking options in the market place that schemes may be unaware of including transferring deferreds to a master trust such as Spinnaker or Xafinity. Alternatively a partial wind-up may be available via Section 32.'

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See next page for Notes to Editors and Media Contacts.

## News release continued

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### Notes to editors:

- Goddard Perry Consulting (formerly Michael Kirk & Partners Ltd) have been third-party administrators for over 20 years. ([www.goddardperry.com](http://www.goddardperry.com))
- Goddard Perry are authorised and regulated by the financial Services Authority.
- Goddard Perry Consulting only employ Pension Managers and adopt only fixed fees for Administration and Consulting.
- Goddard Perry consulting has over 35 staff and is based in Croydon. They also have offices in City of London, Fleet, Hants and Norwich.
- Goddard Perry Consulting Ltd are also the appointed Administrators for the Spinnaker Master Trust.

### Media contacts:

For all media enquiries please contact Kate Boyle using the details below.



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