

Pension fund considerations

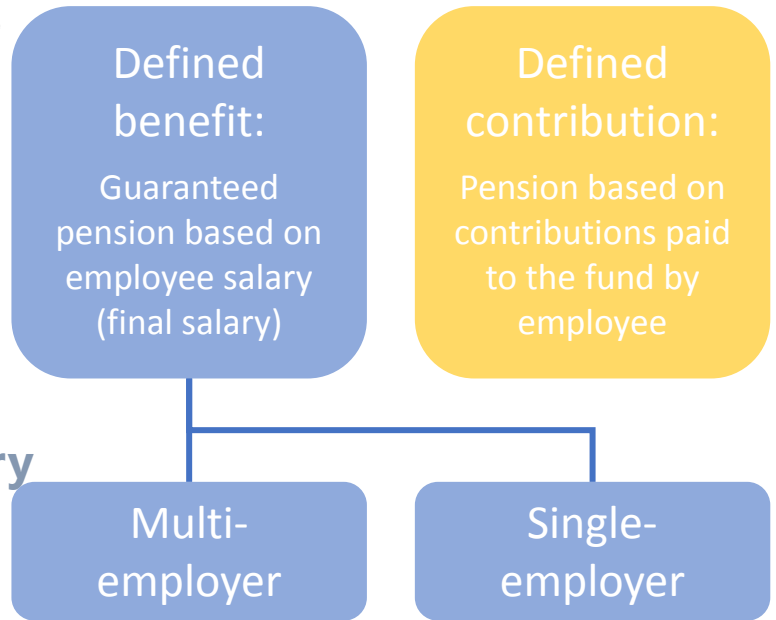
By incorporating your charity you are changing the legal form of the charity which has a number of consequences for your staff. This guidance considers the impact on staff with regard to any staff pension funds your charity may have. **Pensions are a complex matter and to avoid costly mistakes, always seek advice.**

Type of pension

The impact will depend on the nature of the pension arrangements in place. If they have been in place for some time, it may be that you have more than one type of arrangement. Broadly pension funds are of two types.

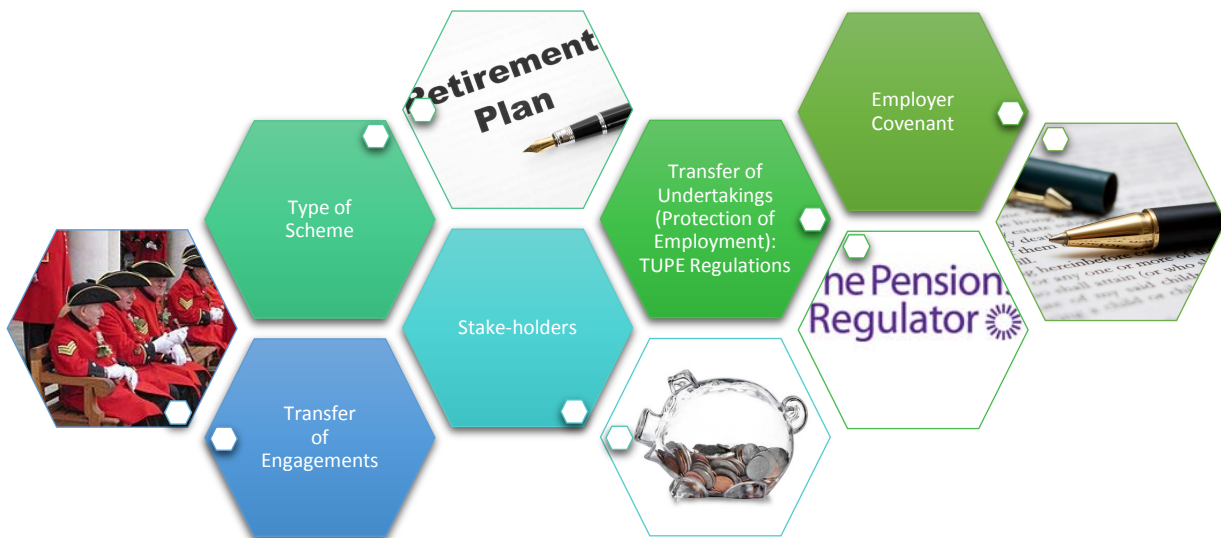
Defined benefit or final salary

Defined benefit schemes also break down into two types.



When incorporating, the type of scheme(s) your charity is in, affects the questions you may need to ask. Defined benefit schemes bring greatest risk.

Basic considerations



This factsheet covers very basic information around matters charity trustees may consider in advance of an incorporation. This factsheet DOES NOT cover pension issues that trustees should be thinking about more routinely.