

► Managing your pension scheme during a pandemic

The Covid-19 pandemic represents a huge challenge for all of us, and ongoing uncertainties make planning difficult.

For pension scheme sponsors and trustees, we've put together a checklist to help safeguard the benefits of scheme members.

This should help you to produce and agree a plan that can be updated as the situation develops.

We are happy to support you in this.

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Pensioner Payroll

Area	Suggested action	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Paying pensions	1 Seek information and assurance that critical administration functions, such as pensioner payroll and other benefit payments, will continue uninterrupted.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	2 Assess the impact of different scenarios on pension payments. For example, in the event of reduced resourcing, how will these services be prioritised?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:

Investment

Area	Suggested action	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Liquidity and cashflow	3 Assess your current bank balance. Is it sufficient or do you need to increase it?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	4 Review your cashflow policy. Is it still appropriate for both investments and disinvestments in the light of recent market shocks? And does it take account of any significant payments (e.g. transfer values, tax-free cash) due in the short term?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Asset transitions	5 If you have any pre-agreed asset transitions, are they still appropriate?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Asset allocation and risk	6 Does your investment strategy need to be adapted in the light of recent market changes?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	7 Does your level of investment risk account for any deterioration in the sponsor's covenant? Can you make any short-term tweaks to minimise further downside risk?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	8 Consider rebalancing your investment strategy to the benchmark asset allocation.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:

Operational considerations for trustees

Area	Actions to consider	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Trustee meetings	9 Review your Scheme Rules to make sure they are flexible enough for remote meetings and robust decision-making.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	10 Consider whether to increase the frequency of meetings to help the trustee board monitor developments effectively.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	11 Consider using online document storage facilities, such as the Hub, to help with remote meetings and document sharing.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Trustee decisions	12 Review your trustee decision-making and approval process.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	13 Review trustee signatory requirements and explore alternative approaches to 'wet' signatures for document execution.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Contingency planning	14 Review contingency plans and internal controls. Are agreed actions being taken? And do they continue to reflect the current position?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:

Employer covenant

Area	Suggested action	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Covenant assessment	15 Engage with the sponsor to assess the potential impact of Covid-19 on the employer covenant.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	16 Assess the ability of the sponsor to meet current contribution obligations.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	17 Consider taking independent covenant advice.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Contingency planning	18 Review any business continuity measures planned and implemented by the sponsor.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	19 Do you need to put in place any additional measures to secure long-term sponsor support?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	20 Consider proactive engagement with the Regulator about any affordability concerns.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Additional support	21 Discuss the sponsor's ability to provide a contingent asset or other security.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Reporting and review	22 If appropriate, revise your reporting strategy with the sponsor.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	23 Do you need to increase the frequency of reporting?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	24 Consider regular conference calls to assess the sponsor's continued ability to support the scheme.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:

Funding implications

Area	Suggested action	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Monitoring funding	25 Where a valuation is underway, discuss with the Scheme Actuary the implications of recent market movements for scheme funding.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	26 Discuss with the sponsor whether additional funding is needed. Consider introducing a contingent asset or additional security.	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	27 Should the funding position be monitored more frequently with agreed triggers and actions?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	28 If a long-term funding target has been agreed, does it need to be revised?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
Transfer values	29 Do you need to put transfer values on hold temporarily?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	30 Is your current cash equivalent transfer value basis still appropriate?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	31 Do you need to reduce transfer values?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:
	32 Do other factors used by administrators need to be reviewed?	Done <input type="checkbox"/>	N/A <input type="checkbox"/>	To do <input type="checkbox"/>	Responsible:

Operational considerations for third parties

Area	Actions to consider	
Adviser business continuity	33 Seek assurance from your advisers that robust business continuity plans have been implemented. See Coronavirus – First Actuarial business continuity plans.	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:
	34 Consider making changes to administration practices to maintain a 'business as usual' experience for members.	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:
	35 Make sure you have contact details for your usual points of contact if they are working remotely. Put alternative contacts in place in case of illness.	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:
	36 Where you have delegated signing powers, make sure you all understand the processes involved in implementing business continuity plans.	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:
	37 Make sure you understand the statutory deadlines applicable to your scheme. Can you continue to meet them in the event of reduced resourcing?	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:

Member concerns

Area	Actions to consider	
Contact with members	38 Members will be concerned about their pension benefits and there may be an increased volume of queries. This is also an opportunity to alert members about a likely increase in pension scams. Consider issuing additional member communications.	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:
	39 Make sure members can continue to contact the pension scheme administrators in the event of remote working and/or reduced staffing.	Done <input type="checkbox"/> N/A <input type="checkbox"/> To do <input type="checkbox"/> Responsible:

Next steps

We recommend that trustees arrange a conference call with their advisers and sponsor as a matter of urgency, to discuss and agree a suitable plan.

The Pensions Regulator has issued a [Covid-19 update for trustees, employers and administrators.](#)
Review further updates from the Regulator as they become available.