



TPR guidance on COVID-19 – Defined contribution schemes

The Pensions Regulator (TPR) has published updated guidance for pension scheme trustees and employers on dealing with issues resulting from the COVID-19 pandemic. Recent guidance has been concerned with defined contribution (DC) schemes.

Automatic enrolment

TPR has updated its information on the [automatic enrolment duties](#) to include details of how these operate for staff who are furloughed under the Coronavirus Job Retention Scheme. This clarifies the effect that the Scheme has on pension contributions, and on the employer's duties to enrol and re-enrol eligible staff.

DC scheme management and investment

As a result of some funds closing temporarily due to the market conditions created by the pandemic (such as property funds), trustees may have been redirecting contributions from member self-selected funds to alternative funds. The relevant [guidance](#) has been updated to highlight that this redirection may have created a new default arrangement. Default arrangements carry specific legal requirements such as a charge cap, and the need to have a statement of investment principles for the arrangement. Trustees may have to take further steps if this is the case for their scheme.

The guidance has also been updated to remind trustees that transfers out of a DC scheme are considered a 'core financial transaction', and should therefore be prioritised to ensure they are timely. Trustees should nevertheless ensure they are carrying out due diligence to prevent scammers from taking advantage of financial instability.

'COVID-19 and your pension' guide

The Pension Protection Fund, Financial Services Compensation Scheme, Money and Pensions Service, Pensions Regulator, Financial Conduct Authority and Pensions Ombudsman have issued a [joint guide](#) for pension savers in response to the pandemic.

The guide contains details of the protections in place and available sources of free impartial guidance for scheme members. It has been produced in response to an increase in enquiries from pension savers seeking guidance, and to raise awareness of opportunistic scams emerging due to strained personal finances.

TPR blog on pension transfers

TPR's Chief Executive, Charles Counsell, has published [a blog](#) about the challenges COVID-19 has caused for trustees in relation to pension transfers. This deals with communicating with members about the possibility of scams. It also highlights the difficulties caused by changing the calculation basis for defined benefit transfer values and the potential increased numbers of member requests, and explains the flexibility that is available to trustees to deal with these issues.

PMI industry guide

The Pensions Management Institute (PMI) has produced a COVID-19 [industry guide](#), including articles on the impact of the pandemic on a variety of areas within the industry. This includes an article from Barnett Waddingham's Julie Walker about managing third party administration services during the lockdown, with most administrative staff working from home and services increasingly moving online.

PLSA publishes chair's statement template

The Pensions and Lifetime Savings Association (PLSA) has published a [template](#) to help DC occupational scheme trustees produce the annual chair's statement required by law.

The statement accompanies a scheme's annual report and is intended to inform members about such things as the scheme's investment strategy, details of its charges and transaction costs, and its processing of core financial transactions. The aim of PLSA's template is to help trustees collate the necessary information and present this clearly to members.

HMRC updates

Pension Schemes Newsletter 119

HM Revenue & Customs (HMRC) has published an update to [Pension schemes newsletter 119](#) to confirm that the suspension of the protected pension age rules for certain recently retired public sector workers has now been extended to 1 November 2020.

Pension Schemes Newsletter 120

HMRC has also published [Pension schemes newsletter 120](#). This includes a reminder of the available online guidance and manuals for administrators and trustees, and the method for contacting Pension Schemes Services for queries on the pension tax rules not covered by the published guidance.

Countdown bulletin 53

HMRC has also published [Countdown bulletin 53](#). This confirms that they now plan to issue the final data cuts for schemes that engaged with the Scheme Reconciliation Service, or were reconciled as part of the Scheme Cessation process, by the end of July 2020. This is dependent on departmental priorities, and any change to the date will be communicated in a further Countdown bulletin.

The bulletin also advises that the GMP online checker service provides accurate figures but may be calculated at a different date to the figure in the final data cut.

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