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Pensions Aspects

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A bit too close to home?

When remote working meets data security

CYBER SECURITY: IS YOUR SCHEME MANAGING THE RISK?

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Pensions Management Institute
ACHIEVING PENSIONS EXCELLENCE

FEATURES SECTION

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Data management in a pandemic – balancing the strategic and the tactical

By Geraldine Brassett, Client Relationship Director, Capita

As I write this, for many pension scheme trustees and administrators, progressing with projects is on hold as we all adapt to new ways of working as a result of COVID-19 and the need to focus on prioritising the payment of benefits to members and their families.

However, at some point in the not too distant future, the spotlight will again be on the management of pension scheme data, providing an opportunity to regroup and reprioritise the approach to improving the existence and quality of the data we hold.

The number and type of potential data-related projects means that, increasingly, administrators are being asked to prepare a data strategy which is aligned to the objectives and roadmap for a scheme. Having a data strategy helps to ensure that maximum value and therefore return on investment is achieved from any data analysis and cleanse activity.

The data strategy will include some elements that apply to all schemes, but much will be specific to individual scheme objectives. Agreeing these activities will help with the prioritisation of projects and highlight any dependencies. As a minimum, the roadmap should include compliance with legislative and regulatory requirements, projects focused on compliance with scheme rules, service improvement initiatives and individual scheme objectives and strategy.

In terms of priority, projects related to legislative compliance are likely to fall into the 'must do' category, so the roadmap should cover common and scheme specific data, Defined Contribution (DC) governance requirements and, whilst not strictly compliance ,should probably also include Guaranteed Minimum Pension (GMP) reconciliation, rectification and equalisation, and there should also be a placeholder to keep a watching brief on the data requirements for pension dashboard and, in relation to GMP equalisation, the outcome of the second Lloyds hearing which is focussing on past transfers out. Having placeholders on a roadmap can be helpful to ensure any data requirements arising from these are integrated into a data strategy at the earliest possible opportunity.

The other form of compliance that will likely feature on the 'must do' list is compliance with scheme rules. This might include known issues with past calculation of benefits which need to be rectified. If so, an impact analysis needs to be completed to understand the scope of the work, including capturing the data needed to complete the rectification exercise. With all types of rectification exercises it is important to not only consider the data that needs to be extracted from the administration system but also the format of any data to be loaded back, for example the form of the rectified benefits.

We know that the Pensions Regulator (TPR) is focussed on the existence and quality of the data items needed to properly administer a pension scheme but TPR has also highlighted the important role that administrators have in keeping data safe. Trustees should ensure they understand their cyber security risks and the steps being taken to minimise these. This should be an item on the risk register and trustees should be asking their scheme administrator about the controls in place to manage this risk including, for example, how they monitor threats, how frequently a penetration test is undertaken and the outcome of the test.

Data management which impacts on member servicing can sometimes be considered lower priority, but this may not always be the case. The current coronavirus situation, for example, has highlighted the value of holding email addresses to facilitate easier and quicker communication with members. But service improvement doesn't only cover online solutions and communication. A scheme may believe it benefits from high levels of automation only to find that, whilst this is true in terms of the percentage of calculation types that are automated, the actual volume of cases that benefit from the automation is much lower due to data issues.

And lastly, but also very importantly, there is the scheme strategy. For Defined Benefit (DB) schemes, activities in this area often relate to de-risking, and for DC scheme objectives are frequently aligned to member engagement and communication.

Once the roadmap is defined then it is possible to call out data dependencies. So, for example, schemes who have been considering a trivial commutation exercise may choose to complete this before undertaking GMP equalisation to reduce the number of members whose benefits need to be equalised for the effects of the GMP. DC schemes looking to implement or refresh a member self-service portal may want to consider how this will interact with the pension dashboard and so on.

It is only by being clear about what needs to be done, why, by when, and the member impact and relative priorities, that trustees can define their data strategy. To do this they will need to work collaboratively with their administrators, involving other advisers where necessary.

Once the data strategy is in place the focus needs to move to delivery. Creating a data matrix helps in delivering the strategy cost effectively. It assists in avoiding reworking that arises from visiting the record for one member multiple times. Defining and populating a matrix necessitates an initial commitment of time but is essential in delivering the return on investment mentioned previously.

To create a scheme matrix, for each project or report in scope, it is important to understand the population impacted so, for common data that would apply to all members, for GMP equalisation that may be only members with post-May 1990 GMP accrual (or it might be everyone with a GMP for conversion), or for a benefit rectification exercise, it might be only those in a specific category.

Having identified the projects and the populations, the next step is to identify the data items needed for each one. This is where other advisors may need to be involved, for example, the scheme actuary for GMP conversion, a legal advisor in relation to projects arising from the scheme rules, or a consultant specialising in de-risking activities.

At the simplest level the matrix will list the projects and populations on the vertical axis and the data items on the horizontal. Populating this with a simple tick or a cross where data is needed helps identify where individual data items impact on multiple projects. Once this high level view is established, more detailed reports at member level can be generated, dependencies established and priorities for data cleanse activities can be agreed.

The changing landscape

It would have been nice at this point to suggest the spring examination series had gone well and to plan. However, as we know, these had to be cancelled due to the unprecedented situation in which we find ourselves.

However, this does not mean that we are not working to develop new practices and new processes for our learners that will keep them both engaged, and mentally active, during this period of time, and before the next round of exams.

A point on this is that we still expect to be offering the exams, as normal, in September and October of this year, and current government advice indicates that it is still okay to do so. However, we are making alternative plans to allow us to shift the date by a month or so, if necessary. Ultimately, it is our goal to allow our learners to complete examinations they wish to sit in 2020, actually in 2020!

To this end, we have not stopped working on developing new ideas and new methods of operations that will enhance our practice. To help with this we have produced two new websites of learner materials that you can now access and start your study route.

These can be found here:

CPC/CPA/DPA Examinations
www.cpc-learning-materials.com

ADRP/DRP/DEBRS/DRRA/DipIEB
www.pmi-learner-support-materials.com

We are also looking at ways to allow you, as members and learners, to upskill during this 'downtime' period. We have engaged with an organisation called the Skills Network (www.skillsnetwork.com) to produce some online certifiable short courses that can be used for CPD and upskilling approaches. These include:

- Business Leadership and Management
- Health and Safety
- Personal Development
- Wellbeing
- IT User Skills

We are also looking to use this platform as a vehicle for uploading some of our own content. Primarily this will be for the short courses, and some multiple-choice question-type of exams. Online testing has been around for the last 20 years in different formats and this is just one of them.

The most common type of online test is an objective test which tests a candidate on their subject knowledge. As we have launched new examinations, we need to continue the momentum and are investigating the possibility of having these examinations taken online through eProcturing.

For those who are new to this concept

> **"eProctoring or a Proctored Test is defined as a mechanism to ensure the authenticity of the test taker and prevent him/her from cheating via a proctor who is present during the duration of the test".**

A proctor is a person who is trained and qualified to undertake student authentication and prevent them from participating in any form of cheating.

Please keep reviewing the website and looking for specific emails from the PMI as we advance our knowledge and ability to deliver this type of product.

Lastly for this month, we would like your feedback on improvements to our service. We are always listening to our learners and members and wish to continually improve. Hopefully you appreciate some of the initiatives we are taking. If you wish to comment on these then please contact me directly **khoodless@pensions-pmi.org.uk**

Your membership

We are saddened to hear that Mr Alastair Stracey BSc ACIS APMI has recently passed away.

CERTIFICATE MEMBERSHIP

Certificate membership is open to those who have completed one of our qualifications at the Certificate Level – for more information please see the PMI's website. We are pleased to announce that the following people have been elected to Certificate Membership and can now use the designatory initials **'CertPMI'**:

Stephen Gale
Alice Gorman
Jennifer Hladka
Kathryn Jones
George Walles
Todd Norfolk
Camilla O'Brien
Shanti Phillips
Kristen Stubbings
Steven Wright

ASSOCIATE MEMBERSHIP

Associate membership is open to those who have completed the Advanced Diploma in Retirement Provision qualification – for more information please see the PMI's website. We are pleased to announce that the following people have been elected to Associate Membership and can now use the designatory initials **'APMI'**:

Emma Barnett
Kelsey Marriner
David Revell
Martyn Slaughter

Your benefits

PMI EXTRA

As a PMI member don't forget to make the most of the exclusive discounted products and services available to you through PMI Extra.

It offers an excellent range of savings and discounts for all our members e.g. cinema tickets, Apple products, books, insurance, travel, gym memberships and so much more.

Log onto **www.pensions-pmi.org.uk/pmi-extra** to access these great deals.

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

2019

Congratulations to all Associates and Fellows who have completed their 2019 CPD. Fellows and Associates are reminded that their CPD was due on 1 January 2020. Meeting the PMI CPD requirement is compulsory, except where retired/non-working. Under our CPD Scheme, PMI members are required to record at least 25 hours during the year.

Fellow and Associate members with outstanding CPD from previous years have been notified to complete and submit their CPD to the PMI Membership Department. Failure to comply will result in the withdrawal of their designatory initials FPMI and APMI.

Please log on to the website and update your CPD record as soon as possible if you have not yet submitted.

2020

As a result of the lockdown due to COVID-19, the PMI is aware many of our members may not be able to meet the minimum annual 25-hour CPD requirements for 2020. We understand that without the large conferences and seminars in which many of our members accumulate their structured CPD time this could cause difficulties in meeting the required number of hours. In view of this, for 2020, the CPD requirement will be reduced to a minimum of 15 completed hours.

PMI MEMBERSHIP UPGRADE

The Board decided to allow all qualifiers to upgrade their membership without the appropriate election fee if qualifiers upgrade within three months from being notified of their completion. The invitation to upgrade will be posted together with the results indicating a three-month window period in which to upgrade your membership without the election fee.

Members wishing to upgrade after the end of the waiver period will be required to undertake the usual process which requires the upgrade fee plus the annual subscription at the appropriate rate.

GET INVOLVED

Do you want to get more involved with the PMI? Would you like to play a vital role in shaping the future of the pensions industry? We are calling out to all our PMI members and we want to hear from you. Tell us about your journey/experience of working in pensions. We want to share your real-life stories with university students, graduates and existing members.

If you are interested in finding out more, please contact our membership team.

For further details or to contact the Membership Department please email us at membership@pensions-pmi.org.uk or on 020 7392 7410/7414.

London

In these unusual times, the PMI London Group Committee are looking at ways in which we can continue to provide our valued business meetings for London Group members. We are also reviewing the potential for a virtual social event and will keep our members updated as to developments. This is a difficult time for all of us and we wish everyone well and look forward to the day when GMP equalisation is back to being the lead article in the pensions press!

We would like to thank the PMI London Group Business Committee for all their hard work in organising our event on 18 March, particularly to Nathan Jones who was the lead organiser for the committee supported by Emma Watson and Niamh Hamlyn. Unfortunately, this event has had to be postponed and we are hoping to reorganise it later in the year. We would also like to thank our speakers, Darren Philip, Andy Cheseldine, David Bird and Martin Lacey for their work in preparing their presentations.

Finally, we would also like to take this opportunity to thank Simon Kew, our Head of the Business Committee, as he is having to stand down from the London Group Committee due to increased work commitments. Simon has been an enthusiastic, proactive contributor to the Committee and will be very much missed.

Midlands

Due to the impact of Covid-19 the Midlands Committee has decided to postpone its events to Autumn. We'll be in touch again with further details. Stay safe everyone.

Eastern

You will not be surprised to hear that we have had to cancel our planned June seminar in Cambridge due to the coronavirus lockdown. We are sad that we will be missing the opportunity to question The Pensions Regulator but hope to rearrange it when normality has hopefully returned.

We are embracing ways of working electronically and the Committee is holding meetings by Zoom. We have decided we will hold our AGM by this method and give members a chance to network virtually. We are keeping with the planned date of 3 June but moving the time to 5pm so it fits nicely on the end of the working day for many of us now working from home. The papers will be sent out in early May, including details of how to join the Zoom meeting (which includes a telephone option).

If you wish to be added to our distribution list, please contact Susan Eldridge at **susan.eldridge@aviva.com**

Please try to keep safe and well.

Scotland

The Scottish Group held a seminar in Edinburgh on 21 March looking at topical DC governance issues. Speakers from JLT EB and Hymans Robertson led an excellent discussion. The next PMI Scotland meeting will be our annual half day day seminar. Details will follow.

In terms of the Scotland committee we will be holding virtual seminars following cancellations due to the current climate. We are working closely with the committee and development manager at PMI, and details will be announced this month on the success of running virtual seminars across many different organisations.

Cyber security and data management

This month's feature articles include:

Marriage under the microscope / Cyber security: is your scheme managing the risk? / Cyber security: lock it down

Marriage under the microscope

By Andy Harding, Dependants Modelling Lead, Aon's Demographic Horizons™ Team

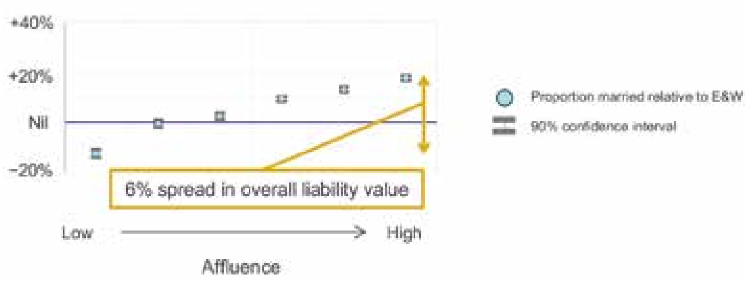
Marriage matters to Defined Benefit (DB) pension schemes. This is because typically they pay survivor pensions to the spouse, or qualifying dependant, of members after they have died. To value these pensions, schemes need to know (a) what *proportion* of members have an eligible dependant and (b) the *age difference* between members and their dependants (since younger dependants are likely to live longer).

This affects every aspect of the scheme's finances, from its funding valuations to transfer values and accounting disclosures. It has been brought into focus in recent years for two reasons. Firstly, declining interest rates have increased the value of survivor pensions relative to the nearer-term pensions payable to members. Secondly, pension schemes are increasingly focused on long-term funding, including the use of insurance solutions such as bulk annuities to hedge their demographic and financial risks. In an irrevocable transaction of this kind it is vital to value liabilities accurately to ensure the premium represents value for money.

Schemes usually record members' marital details only at set points, for example at retirement or death (to check whether a survivor pension is payable). So, there is often no reliable current record of who has a qualifying dependant. Furthermore, there is huge variation in marital proportions between schemes, so it is insufficient simply to use national averages as a guide. Research by Aon indicates that affluent pensioners are up to 30% more likely to be married than less affluent pensioners, a gap of around 6% in pension liabilities *(Figure 1).*

Figure 1: Proportion of male pensioners who are married relative to England & Wales average*

A value of +10% (for example) means that the proportion of male pensioners in the relevant affluence group who are married is 10% higher than the average proportion of men who are married in England & Wales (E&W).



* Amounts-weighted pension scheme survey data from Aon's Demographic Horizons dataset (adjusted for respondent bias) vs ONS E&W 2011 census data (projected from 2011 using annual adjustments from ONS Labour Force Survey). Affluence groups are defined by socio-economic classification of postcode.

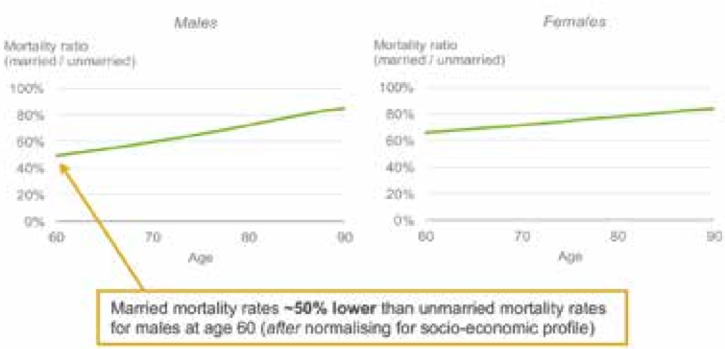
The marital proportions observed in the Demographic Horizons dataset may differ from the 'true' proportions for typical male pensioners due to random statistical noise (i.e. simply by chance, the members we are looking at may include more or fewer married individuals than average). We have shown '90% confidence intervals' on the chart to capture this. There is a 90% chance that the true average proportion married for each group lies within the interval plotted.

So, how can we assess a scheme's marital profile?

Experience analysis

One answer is to review the data for recently deceased pensioners. Administrators typically record which deaths gave rise to survivor pensions, and actuaries have traditionally used this as a guide to dependant proportions in the current population. The problem is that deceased members have a *different profile* to current members. Mortality rates tend to be higher for the older and less affluent and, even after normalising for this, married individuals exhibit significantly lower annual mortality rates than unmarried individuals *(Figure 2).* This may be due to indirect factors such as greater social connectivity, or the direct benefit of having someone to help if you are ill or suffer a fall. In either case, it means that members who have recently died were *less likely to be married* than the surviving members in the scheme.

Figure 2: Married mortality vs unmarried mortality for England & Wales (2011 census)*



* Standardised by Index of Multiple Deprivation (IMD) decile, 2015 classification.
Source: ONS data with Aon calculations

There is a similar problem for age difference because this tends to be higher (members have relatively younger partners) when the members themselves are older *(Figure 3).* This makes sense given the impact of mortality at older ages – a 90-year old is more likely to have a surviving spouse if they had married someone five years younger rather than five years older. It does, however, mean that the average age difference of deceased members may be unrepresentative of the age difference of the current (younger) members with partners.

For schemes that require accurate dependant assumptions, including those approaching the insurance market, it is critical to analyse their *current lives.*

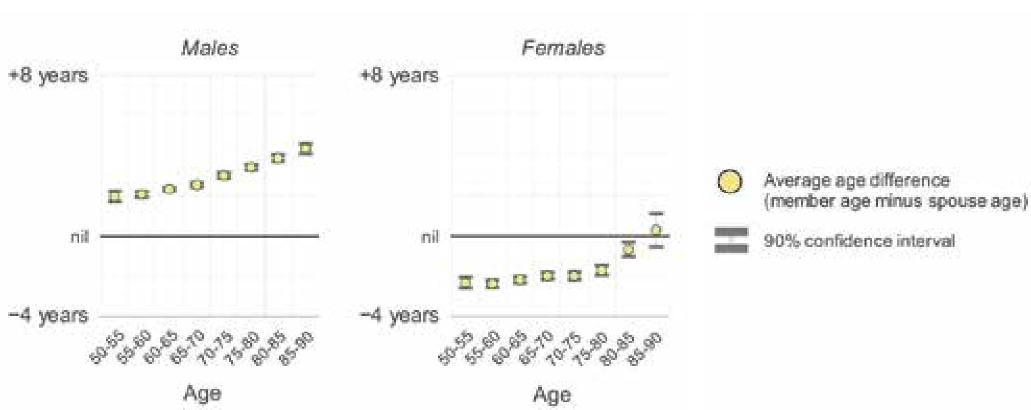
Marital surveys

The simplest approach is to write to members, asking them to confirm their marital details. A well-designed survey can be very effective, but there are two common hurdles:

1. Cost – posting questionnaires and processing responses can cost £20 per member or more, and

2. Non-respondent bias – not all members respond to a survey so an assumption is needed for those who don't respond. Response rates tend to be lower for single members (who may see the exercise as less relevant to them), so assuming the same dependant proportion for those who did not respond is unlikely to be accurate. The bias depends on the questionnaire wording – and not allowing for the bias can risk overstating total liabilities by as much as 2%.

Figure 3: Spouse age difference by age for pension scheme members*



* Amounts-weighted pension scheme survey data from Aon's Demographic Horizons dataset.

The age differences observed in the Demographic Horizons dataset may differ from the 'true' average age differences for typical pensioners due to random statistical noise (i.e. simply by chance, the members we are looking at may have older or younger partners than average). We have shown '90% confidence intervals' on the chart to capture this. There is a 90% chance that the true average age difference for each group lies within the interval plotted.

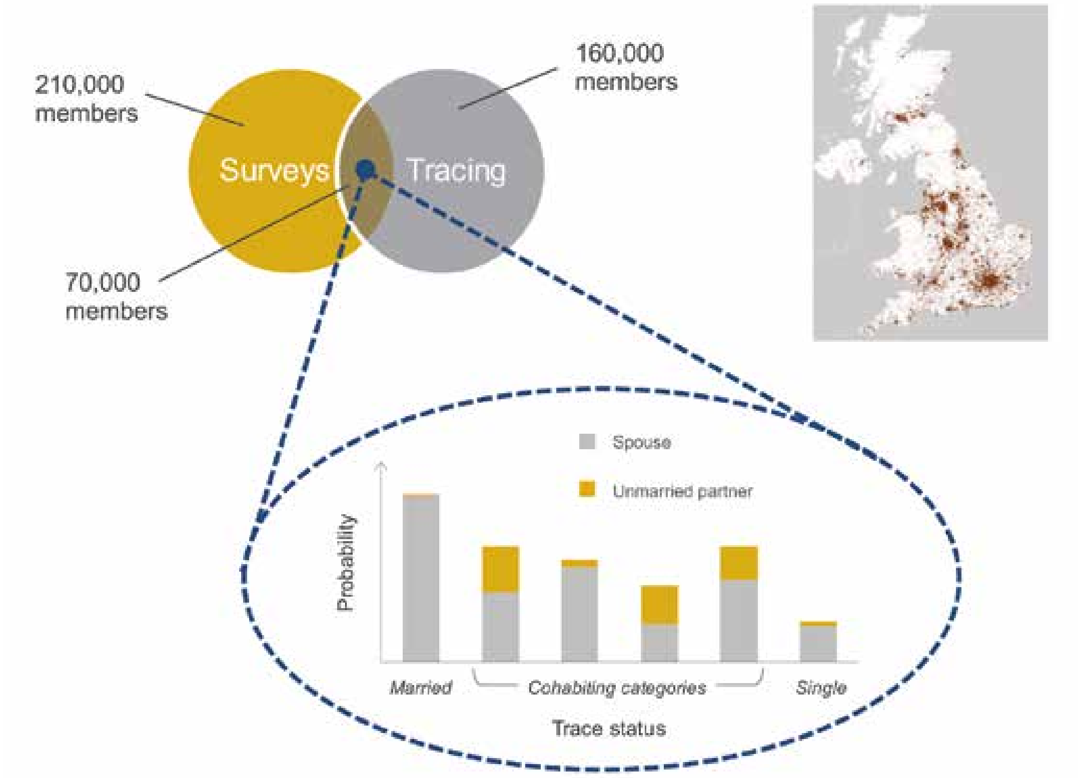
Member tracing

A second approach is member tracing, which is a non-invasive service offered by several data analytics agencies in the UK. These agencies check a range of public and proprietary data sources to predict marital status at an individual level. The result is a trace code such as 'married', 'single' or 'cohabiting' and, where relevant, the partner's estimated birth date.

As tracing is not reliant on members responding, it can be quicker and cheaper than a survey, and is unaffected by non-respondent bias. However, the codes returned are only *predictions* of marital status – their reliability depends on the agency used and the quality of their algorithms. At Aon we have determined the probability of being married (or having an unmarried partner) for each trace code by comparing trace results to k*nown survey responses for the same individuals,* for a large multi-scheme dataset *(Figure 4).* This probability mapping allows us to use marital tracing to determine realistic assumptions.

Figure 4: Mapping trace codes to dependant probabilities based on survey/tracing overlap

Demographic Horizons dependants dataset



Postcode profiling

For schemes that have not carried out a survey or trace, a robust postcode model can estimate dependant proportions and age difference for current members based on their age, sex and socio-economic profile. This can help to avoid surprises further down the line, for example, if survey or tracing data is later collected for bulk annuity quotations. In one recent case, the collection of marital data revealed that liabilities would have been underestimated by circa £100million based on simple experience analysis, whereas Aon's postcode model had predicted the correct dependant proportions. Very simply, the schemes that have accurate information on their marital profile are better equipped to manage their finances for the future.

Cyber security: is your scheme managing the risk?

By Caroline Marshall, Associate, Sackers

Research published last year by The Pensions Regulator (TPR) showed that a quarter of pension schemes had less than half of the recommended controls in place to protect their data and assets from cyber risk. Are pension schemes behind the curve when it comes to managing cyber security risks, and what steps can they take to improve?

What is cyber risk?

In a world that is increasingly reliant on digital technology, all organisations are now at heightened risk of a cyber security incident.

In the pensions context, a cyber incident can mean loss, disruption or damage to a scheme as a result of failures in IT systems and processes, posing risks to data security as well as assets. Pension schemes are a particularly lucrative target for cyber criminals, due to the large volume of member data and assets they hold. Despite this, TPR's findings suggest that schemes could be doing more when it comes to managing their risks.

TPR has been paying increasing attention to the matter of cyber security in recent years. In April 2018 it published its 'Cyber Security Principles for Pension Schemes' guidance, making clear that it expects schemes of all sizes to be alert to these issues and to take preventative action.

But although scheme trustees and administrators may be aware of the need to protect their schemes and their members, they may not feel adequately prepared in the face of cyber risks.

Be prepared: steps schemes can take now

Understand the risk

As a starting point, schemes should ensure that they understand the cyber threats they face, record the issues on a risk register and keep this under regular review. Schemes should take a holistic approach to information security, assessing all systems for potential vulnerabilities.

To identify and monitor scheme-specific risks, schemes should utilise all the information available to them. This may include data from past complaints from members and internal and external audit reports.

Schemes should then take an approach proportionate to their profile. Larger schemes may consider establishing a sub-committee focused on identifying and assessing cyber security risks.

Internal controls

Having identified key risks, schemes should take steps to address them by improving internal procedures. Particular focus should be given to procedures involving the transfer of member data. Schemes should also work with all relevant parties (including in-house functions, third party service providers and employers) to agree appropriate controls. In terms of member data security, measures to consider include:

- ensuring there are appropriate security measures in place where members have access to pension information online
- considering any additional training which service provider staff may need to ensure compliance with obligations under data protection legislation
- taking steps to monitor the security measures for staff who have access to scheme and member records.

Cyber threat is a challenge that is constantly evolving. A regular review of these measures by schemes and their service providers will improve the strength of preventative action taken.

Make a response plan

In the event that a cyber security incident takes place, schemes should have a plan pre-prepared.

An incident response plan should set out how, in what circumstances, and by whom trustees will be notified of a cyber security incident. It should cover what the scheme and the relevant third parties will do to investigate and mitigate a breach once detected, and when and how a scheme will make any necessary notifications, including to TPR, the Information Commissioner's Office (ICO) and scheme members, where relevant.

Establish a recovery plan

'Cyber resilience' is not only a scheme's ability to prevent incidents from taking place, but its ability to recover if the worst happens. This may include arranging back-up data systems and a plan for contacting members in order to manage reputational risk to the scheme.

Investigate any incidents

Schemes should ensure that any incidents that do happen are fully investigated and records are kept of the cause and effect. This gives the opportunity to identify weaknesses in processes, so that they can be remedied, and in turn help to prevent future incidents.

Educate your members

Some pension scheme members may be particularly vulnerable cyber crime targets. Once schemes identify the risks faced, they should ensure that members are given the right information in order to try to help them identify when they are the target of potential scams and cyber threats. Schemes can do this by including information on cyber security in member communications, and, for example, regularly reminding members of how the scheme administrator would make legitimate contact with them.

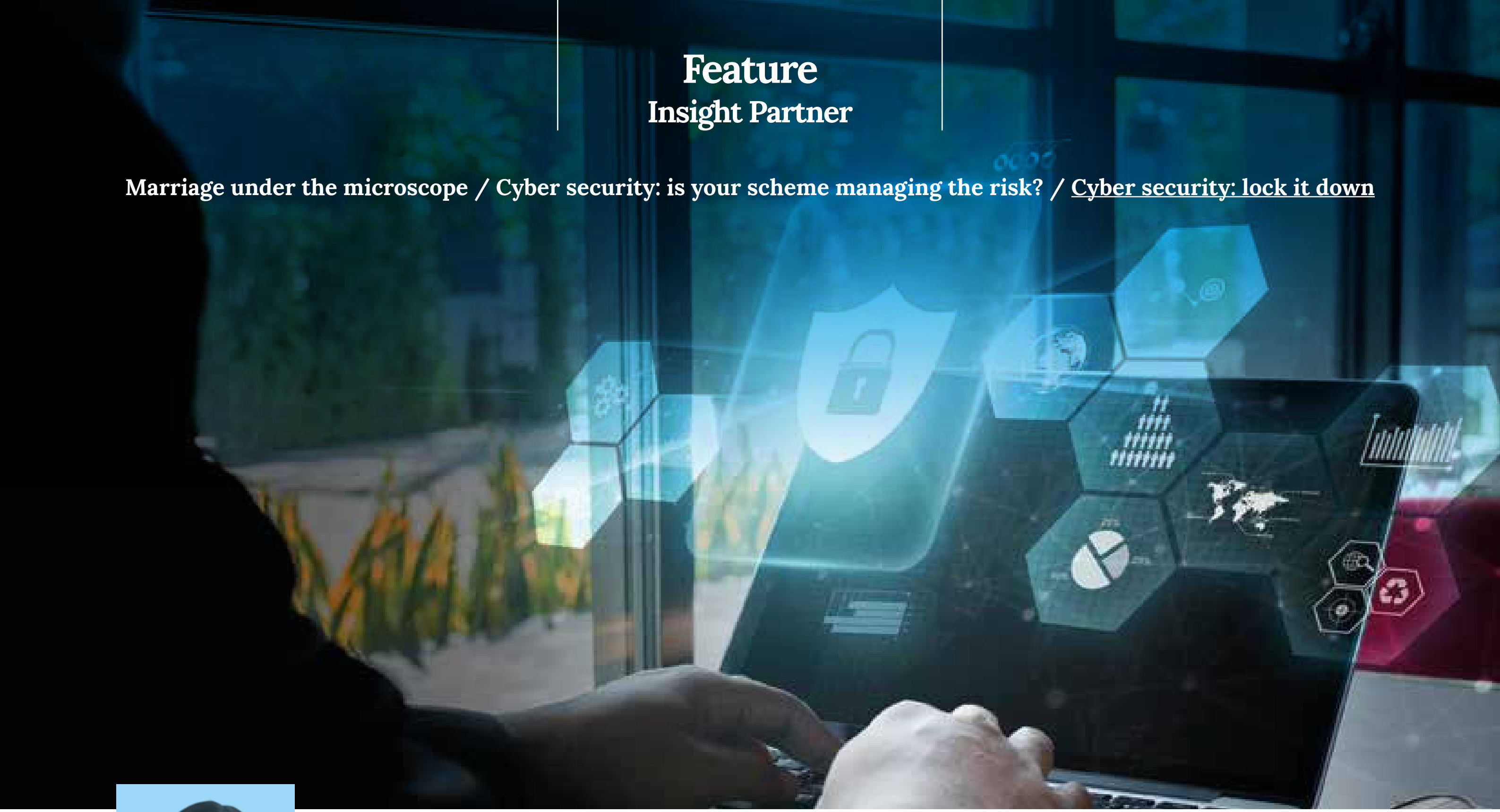
Schedule trustee training

Last year, the Pensions Administration Standards Association (PASA) published cyber security guidance aimed at providing practical support for trustees. This guidance identified human error as the most common cause of cyber security incidents.

It's not uncommon for trustees to have access to scheme data at home or on the go, or to conduct scheme business using a personal email address.

By ensuring trustees are regularly trained on developments in industry standards and how to identify cyber security threats, schemes can be proactive towards managing the risk of an incident.

Whilst no degree of planning can prevent an attempt, sensible steps can help prepare for, control, and mitigate an attack.



Cyber security: lock it down

By Julie Walker, Principal and Senior Pensions Manager, Barnett Waddingham

Everything's relative. Back in 2014, when a surprise budget gave us the 'overnight transformation' of the pension industry, we thought we'd seen the ultimate shock to the system. From the 2020 vantage point, 2014's 'biggest shake up in a century' looks like a long, slow and well-planned walk in an entirely predictable park. Now, we're looking at actual overnight transformation - necessity has driven the world online on a massively accelerated timetable and cyber attacks are running a close second to COVID-19 in the global headlines.

These are tough times – we're all lucky that financial services were already moving in a remote-working and online direction, but there is a huge variation in the level of readiness. Organisations with a robust Business Continuity Plan (BCP), rigorous internal controls and a track record of investment in information security are best placed to face the cyber security challenges, but this is a joined-up world with multiple interdependencies. The pension payment system depends on payroll, BACs, banking, and HMRC systems. Death benefit administration depends on insurance and banking systems. Everything depends on member communications and an effective replacement for the postal system. When the world needs to move quickly, there's a strong temptation to take just that little bit more risk to get things done, but predators old and new are still stalking our pension schemes, so the control environment matters now more than ever.

Internal controls and the kitchen table

Effective internal controls around information technology, cyber risk and data management are about more than passwords and firewalls. There are a whole range of behavioural and technological activities that threaten data security and the controls need to be as effective at a thousand makeshift kitchen table workstations as they are under the organisation's roof. A few of these are worth thinking about in detail to look at if/how they translate to the home environment.

Physical access to computer equipment, computer networks and documentation – when Police Scotland presented at a Scottish PMI Regional Group seminar on cyber crime, everyone in the room was struck by how successfully criminals could access an office environment to target organisations and identities. The office is always on the lookout

for tailgaters, but a friendly contract cleaner with a camera phone could surreptitiously photograph documents on desks as he made his way through the room, gathering up member and banking details in his wake.

Living under lockdown, most offices will now be both people and paper free, but that doesn't mean the physical access risk goes away – it just shifts to those one thousand kitchens, one thousand recycling bins and whatever a motivated data miner is able to find there. If staff can print member data at home, they can also leak it. Maybe people have shredders, maybe they don't; maybe people with shredders will routinely shred every document, maybe they won't. Either way, the organisational control has been taken out of the equation.

Faced with so much potential risk in such uncertain times, the absolute best control is to lock the system down, with no at-home printing, no memory sticks, discs or other removable media. Only those staff with a legitimate and pressing business need should be granted controlled access rights to plug-in devices such as home printers, and then only in very limited circumstances. There's a convenience cost, but it's one worth paying.

Appropriate measures are implemented to counter the threat from malicious attack –a recent estimate quoted social engineering, "the act of manipulating or tricking people into certain actions including divulging personal or financial information" as being behind 98% of cyber threats under corona. Basically, these are boom times for cyber crime. IT may be manning the firewalls but the vigilant cyber-hygiene and collective good sense of the office quickly crumble in a crisis situation. People are at home, keeping calm and carrying on, but all the time hungry for news and comfort. Bugs, malware and ransomware are lurking in official looking COVID-19 updates and websites. Social media is rife with links appearing to offer distraction and reassurance. People are much more prone to taking online risks as their offline world shrinks. It's a perfect data security storm.

Again, the best control is a system lockdown that breaks the link between the remote workstation and the wider world – social media and open browsing are incompatible with data security. An effective lockdown approach on systems leaves your IT security systems free to focus on your business and your clients rather than the non-stop assaults of the dark web.

Data transmissions between the organisation and its counterparties are secure – this is what it all comes down to. Data, large and small, still needs to move between organisations, IDs need to be verified, payments authorised, and communications issued. In current circumstances, the months and years of planning that go into data interface policies are necessarily condensed into weeks, and policy is converting to practice in real time.

At the practical level, where large-scale data is exchanged with employers, insurers, payroll, etc, secure exchange mechanisms are already in place across the pension and wider financial industries and these translate fairly seamlessly to the home working environment. That level of interface security is just the day job. The more challenging aspect is likely to be around exchanging data with individuals so that benefit administration keeps moving, and this is going to call for immediate online solutions.

Again, the best control is a system lockdown that breaks the link between the remote workstation and the wider world – social media and open browsing are incompatible with data security.

Most Third Party Administrators will already have member online options in place but take-up can be challenging, especially for Defined Benefit (DB) schemes where data is more static and there's often a trustee attachment to 'how things have always been done'. Part-paternalistic and part-protective instincts towards members, the 'little old lady factor' and a worry that the all-important 'personal touch' will somehow be lost, have all traditionally played a role in the relatively slow adoption of online services.

With members stuck at home, paper-based communications are disappearing, so even a 'no bells, no whistles' secure online platform will keep the communication channels open until the present storm passes. Trustees are no longer asking themselves whether they want to offer members online access, they're asking the industry exactly how fast we can deliver it.

Defined Benefit Master Trusts as a consolidator?

By Maralyn Thomas, Trustee Director, Cheviot Trustees Ltd

Pension scheme consolidation has been on the government's agenda for a while now, and the Pensions Regulator has said that people saving for their retirement are better served by big schemes than by small ones. The Regulator feels that larger schemes can benefit from economies of scale, more effective and efficient investment strategies and improved governance.

For Defined Benefit (DB) schemes, one method of consolidation is to transfer into a DB Master Trust.

There are a number of DB Master Trusts, and each one will have its own approach. A common approach is to combine functions - administration, trusteeship, actuarial, legal, investment, accounting, covenant assessment and member communications. The aim is to achieve the benefits to which the Regulator has referred.

The consolidation options

Many DB pension schemes have now closed, both to new members and to further benefit accrual. Where this is the case, the employer and the trustees will be considering what the future holds for the scheme.

Insured buyout

For those schemes which are well-funded enough, the employer will often wish to remove the scheme from its balance sheet by buying out the benefits with an insurance company. The Department of Work and Pension's (DWP) White Paper on the sustainability of DB pension schemes commented that, even when schemes are well-funded, the cost of insurance provision means that it is unlikely that many will be able to buyout the benefits in full. It said that new consolidation vehicles could therefore offer a more affordable option than insured buy-out.

Consolidation vehicles

Like an insurance buyout, transferring members to one of the new consolidation vehicles would be a way for the employer to remove the scheme from its balance sheet. For those employers who want to break the link with the pension scheme but cannot afford buyout, a commercial consolidator might be an option. Because the link with the employer is broken, the benefit of the employer's financial support (covenant) is lost, so a cash injection will be needed to compensate for that.

The Regulator has published guidance for employers who are considering transferring to a consolidation vehicle. It expects employers to seek clearance from it for any proposed transfer, even if they consider that any detriment is mitigated.

As part of the clearance process, the Regulator will assess whether any detriment to the scheme has been adequately mitigated, and make sure that the scheme could not achieve a better outcome through other means.

The Regulator does not expect a transfer to go ahead if trustees already have the ability to buyout, or are on course to do so, within the foreseeable future (for example in the next three to five years). Its guidance for trustees who are considering transferring to a consolidation vehicle says that the decision must be in the best interests of the members, and should further the purpose of paying the accrued scheme benefits.

Legislation governing consolidation vehicles is awaited and the Regulator has said that they will need to seek authorisation from it once the legislation has come into effect.

Defined Benefit Master Trusts

A DB Master Trust is a multi-employer pension scheme in which the employers need not be connected with one another. It is usual for each pension scheme which joins the DB Master Trust to have its own separate, ring-fenced section. Two of the main advantages of being part of a larger pension scheme like this are better governance, and the greater opportunities which come with scale, including access to more efficient investment strategies.

When a pension scheme transfers into a DB Master Trust, the link to the sponsoring employer is not broken and the benefit of the employer's support (covenant) is not lost. So, there is no need for the employer to find a cash injection to compensate for that.

How do Defined Benefit Master Trusts work?

A common approach is for each pension scheme which joins the DB Master Trust to have its own separate, ring-fenced section, funded separately from the other sections.

It is also usual to combine functions such as administration, trusteeship, actuarial, legal, investment, accounting, covenant assessment and member communications - with the aim of achieving the benefits to which the Regulator has referred.

A DB Master Trust can either continue to run the schemes which are transferred to it, or it can be used as a bridge to buyout. The funding levels and the employer's aims for their scheme will be important factors in the decision-making. Crucially, unlike an insurance buyout or a transfer into one of the new consolidation vehicles, the decision to transfer into a DB master trust is not a once-and-for-all decision. The employer will retain an influence in what happens to its scheme in the future.

Cheviot's aim is to manage the schemes to the point where they are fully funded on a cautious basis, reducing their dependence on the employer. This can be difficult for smaller schemes to achieve individually, because of the time and expertise which it requires.

Conclusion

Pension scheme consolidation has been on the government's agenda for a while now, and the Regulator has said that people saving for their retirement are better served by big schemes than by small ones. For Defined Benefit schemes, one method of consolidation is to transfer into a Defined Benefit Master Trust.

Insight Partner

DB transfers in the **time of COVID-19**

By Simon Taylor, Partner, Barnett Waddingham

Transfers from Defined Benefit (DB) pension schemes are an emotive topic at the best of times. In these uncertain times, the focus on them is bound to increase. We have already heard anecdotal evidence of an increase in interest in transfers, driven by members who have concerns about their jobs and the ongoing viability of their employers, and who are thinking of a transfer as a potential way to access more income if needed.

There are, however, several issues that DB scheme sponsors and trustees should be considering at the moment in relation to transfers.

Not surprisingly, financial markets have been very volatile over the last month. Most schemes will have seen some deterioration in their funding levels although well-hedged schemes will have fared much better than unhedged schemes. Gilt yields and Retail Prices Index (RPI) expectations have varied significantly over the period. Some employers, worried about cashflow and business sustainability, have agreed temporary reductions or suspensions in recovery plan contributions with the trustees of their schemes.

All of these factors should prompt sponsors and trustees to consider transfer values carefully. Are the assumptions used to calculate them still appropriate? Should transfer values be reduced to reflect the increasing level of scheme underfunding? Should transfers be halted temporarily because of liquidity concerns (especially if the sponsor has ceased contributions temporarily) and the priority to pay pensions due?

The Pensions Regulator's (TPR) guidance published on 27 March, effectively allows transfer values (payments and quotations) to be suspended for three months to allow sponsors and trustees time to address these issues.

We also need to consider transfers from the members' perspectives. Our recent research[1] highlighted that there has been a fall (and likely to be further falls) in the numbers of firms that can advise members on transferring from a DB scheme due to increasing regulatory focus and professional indemnity insurance premiums. Members may therefore find it hard to find a firm on the high street that can advise them.

If members can find a firm to advise them, and want to look at transferring because of income concerns as a result of COVID-19, they are very likely to be classified as 'financially vulnerable' and fall under the adviser's Vulnerable Customer policy. Unless the member is in severe financial hardship, the advice is likely to be not to transfer because of the uncertainty around the length of the current circumstances, the availability of furlough payments etc. This could push vulnerable members into the arms of scammers, a concern shared by TPR which has explicitly cautioned trustees to be mindful of this risk.

It is therefore essential that sponsors and trustees communicate with their members, setting out some of the relevant issues around transfers, to prevent members falling prey to scams. They should also think about putting in place a framework to support members through the transfer advice process, as we described in our recent research[2]. Action must be taken now to give members every chance to avoid the possibility of a bad transfer outcome.

[1] https://www.barnett-waddingham.co.uk/comment-insight/research/db-to-dc-transfers-the-current-landscape/

[2] https://www.barnett-waddingham.co.uk/comment-insight/research/db-to-dc-transfers-supporting-members/

Insight Partner

Trustee meetings in an **ongoing crisis situation**

By Susan Hoare, Partner, Aon

Trustees of pension schemes – like all of us – are operating in unprecedented times. The COVID-19 pandemic has meant that, almost overnight, trustee boards have had to adapt to working remotely and getting to grips with virtual meetings.

It is not surprising that trustees, sponsors and advisers operating in these challenging times are keen to take swift action – both to mitigate the immediate impact, and to shore up their crisis resilience so they are not to be caught off guard by unfolding events.

There are two pieces to this crisis management work. In the short to medium term, trustees and sponsors need a way to manage meetings, make decisions and to move forward on agreed actions.

Longer term, there are steps schemes should take to continue operating within this restricted environment for a prolonged period. Crisis management of trustee meetings and decisions has moved beyond just finding a way to take forward the business from your next trustee meeting. It is now more about how we continue to operate in this way for successive meetings.

Immediate priority actions

To increase your scheme's robustness in the current environment, we suggest you take the following steps:

1: Review your current governance and decision-making structure to ensure it remains fit for purpose over the next few months

Ongoing monitoring will be essential, and you will need to make further decisions, potentially with limited time, on future direction.

Where boards have established emergency sub-committees, these will now kick in and start to work through schemes' business continuity plans. If you do not already have such a committee, we recommend that one is established as quickly as possible. You need to be flexible; the nature of this virus means that your emergency sub-committee members may need to be fluid, and/or decisions be made by different groups within the subcommittee.

Trustees should be given clear roles. Availability, health and experience will be essential considerations. Keeping all relevant people informed is also vital. Where governance, investment and/or member engagement actions are being undertaken by different sub-committees, ensure that decisions and priorities are fed back. Also consider including members from those sub-committees in the emergency sub-committee to maintain understanding and to ensure informed decision making.

2: Review your scheme priorities

The right structure is necessary to ensure appropriate robustness around upcoming decisions. Administration, communication and investment are among the key areas to consider. Do you know what sort of business continuity plan your administrator has? Do you have accurate scheme data that enables you to communicate quickly with members? What investment decisions might you need to make at short notice?

Crisis resilience over the long term

Taking these steps to bolster your scheme's robustness is essential if you want to maintain productive meetings and continue driving decisions for the benefit of the scheme and members.

But there is a potential danger in operating in crisis mode. Managing meetings in this way runs the risk that a few urgent items will be pulled out for debate and decisions – with everything else parked until a future date.

While this works in the very short term, it is not a sustainable approach if this environment continues for the next 3-6 months – something that is looking increasingly probable. Schemes must find a way of delivering business as usual if this continues for any length of time.

How should they approach this?

Firstly, schemes need to revisit their business plan for the year. It is very likely that priorities may have changed. You may have additional items to consider; you may be concerned about your sponsor covenant, or cash management or an increase in requests for transfer values.

Three monthly calls, each of, say, two hours should be sufficient to replace a single trustee meeting. These calls need to be carefully managed. A trustee meeting might see between twelve and twenty people on the phone, once you have factored in trustees, advisers, the scheme secretary and pensions manager. This amount of people might be necessary but can quickly make calls unwieldy.

Consider introducing greater delegations for committees. This means that more work can be done at committee level, therefore allowing you to have fewer people on a call. That makes it easier to manage, and for people to contribute and challenge – all ensuring that decision-making remains robust.

For many schemes, their current delegations document and terms of reference may only give their committees limited decision-making powers. Sponsors and trustees should review their own documents. Where items currently need to return to the board for a decision, they might want to consider relaxing these rules.

When schemes delegate more to committees and smaller working groups, workstreams can be set up to tackle details and make decisions, reporting back at board or full trustee meeting level.

In practice, this potentially means a monthly committee meeting and a monthly board meeting. For this to work, the first step is for the Chair of Trustees to split out the scope of work into bite-sized chunks.

Looking ahead, once the trustees feel comfortable that they have got the pension scheme to a safe place and are comfortable about business continuity, it may be possible to reduce the number or duration of these meetings.

Planning to operate in a crisis means taking immediate action. It also means keeping an eye on the longer term. Successfully balance the two and you should improve your scheme's robustness.

You can read Aon's full Crisis Resilience document for DB schemes here: **bit.ly/crisisresilienceDB**

Aon's UK Retirement and Investment COVID-19 website is continually updated with our latest data and thinking. You can find it here: aon.io/COVID-19

Month in Pensions

Protect your employees from the spread of coronavirus

By Tina Chander, Partner, Wright Hassall

While the coronavirus outbreak (officially COVID-19) has raised serious health concerns, its impact on stock markets around the world has become an issue for businesses, especially as non-essential workers are urged to stay at home.

The Government previously confirmed that workers would receive statutory sick pay from the first day off work, not the fourth, and now, some businesses are being offered financial support to ensure wages are paid instead of widespread redundancies being made.

Whilst most businesses have sent their employees home, some essential workers are still expected to attend, which means employers must take steps to protect their staff during a period of ongoing uncertainty.

Reducing the risk to employees

The sensible course of action for employers to take is to note the advice given by official bodies and ensure that this is shared throughout the workforce.

If employees are still expected to come into work, then it may be wise to designate an available space as an 'isolation room', where sick individuals can retire to before calling 111 for further medical advice.

Other steps to take include:

- Update the contact numbers and emergency contact details of all staff members
- Ensure that managers are aware of the symptoms of the virus and how to spot them
- Disseminate information across management on issues such as sick leave and sick pay
- Ensure that facilities for regular and thorough washing of hands are in place
- Dispense hand sanitisers and tissues to employees
- Weigh up the pros and cons of supplying protective face masks to employees

Handwashing has been identified as an effective way to prevent the spread of the virus, so it's important that workers are encouraged to take care when doing so, without being punished for taking longer than usual.

What to do if an employee becomes unwell

If an employee exhibits the symptoms of the virus, they should be removed from the proximity of other employees, placed in the designated 'isolation room' and encouraged to follow precautions.

The employee, when calling NHS 111, should be advised to give the operator the following details:

- Their symptoms
- When calling NHS 111, the employee should be advised to give the operator clear information about their symptoms.

Uncertainty over the exact nature of the symptoms and concern about the situation regarding issues such as sick pay may lead to some employees coming to work despite having contracted the virus, without necessary feeling unwell.

If this does happen, then an employer should contact the local Public Health England (PHE) health protection team and they will discuss the details, identify anyone who has been in contact with the employee in question, carry out a risk assessment and outline any precautions which should be taken.

The position on sick pay

If an employee is off sick with the virus then the legal situation regarding sick pay is the same as it is with any other illness however, the employee is now entitled to statutory sick pay from the first day of work, not the fourth.

The government has stated that if NHS 111 or a doctor advises an employee or worker to self-isolate then they should receive any statutory sick pay due to them or contractual sick pay if this is offered by the employer.

In some cases, employees may be able to work from home while in self-isolation. However, in many cases, if an employee cannot attend their place of work, they will be unable to work, as in the case of those working in frontline services.

In some cases, an employer might prefer an employee not to come into work, if they've returned from a high-risk area for example, and in these circumstances the employee should receive their usual pay.

Employees may be reluctant to come into work due to general concerns about the virus, particularly if they belong to a group at higher risk of complications, such as those with certain pre-existing medical conditions or those aged over 70.

In such cases you should offer flexible solutions such as working from home, if possible. Alternatively, although there is no legal obligation to do so, you could offer the time away from work as a holiday or unpaid leave.

With many non-essential workforces currently at home, employers should take the following steps to ensure tasks are completed:

- Making sure that employees will be able to get in touch with the employer and any other members of staff they need to liaise with
- Ask employees to take tablets and mobile phones home with them

It may pay organisations to review any supply contracts they have to understand the implications of their business activities being interrupted by the virus or Government advice, with the position on whether insurance would cover COVID-19 losses remaining unclear.

No time to be divisive

Employers must also take steps to ensure that no members of staff, customers or suppliers are treated differently because of their race or ethnicity.

It may be appropriate to remind staff that jokes and banter, even if light-hearted, may easily slip over the line to become unlawful harassment and/or discrimination, for which an employer may be liable.

Employers can avoid liability if they can show they took 'all reasonable steps' to prevent employees behaving in such a manner.

Taking reasonable steps can include having well publicised diversity and harassment policies, and training all staff on the issue. Managers must also be trained about their responsibility to identify and prevent discriminatory behaviour.

The impact
of coronavirus on pay and benefits

By Charles Cotton, Senior Reward and Performance Adviser, CIPD

What impact could the coronavirus have on pay and benefits and how should employers respond to mitigate the impact of COVID-19? CIPD research finds that two key components of workplace financial wellbeing are paying people enough and paying them fairly, and these should influence our approach.

In terms of pay, many employers will have already increased wages and paid out bonuses in the first quarter of 2020, so deferring them won't be an option. In this instance, organisations may consider cutting pay.

If wages must be cut, then it is only fair that senior leaders should show the way and those on low pay should be shielded the most. Such drastic changes to terms and conditions will need employee consent.

However, if the alternative is redundancies, workers may be prepared to take a temporary pay cut, particularly if management leads by example. Job losses should be a last resort and the government's furlough scheme to pay the wages of those workers at threat should be considered.

Of course, some firms in essential services are looking to reward their frontline staff for going above and beyond. This can involve increasing certain payments, such as overtime rates, or introducing new ones, such as bonuses.

Employers should also highlight the benefits on offer to promote employee health and wellbeing, so people are aware of what's provided, how to access it and, hopefully, be appreciative of the support that's available to them.

It's also a time to review existing benefit packages to identify and correct any design or implementation issues, as well as any gaps in provision. For instance, how to treat the issue of people not being able to take leave either because they're too busy or that they now must stay at home because of the lockdown. We should recognise these exceptional circumstances and be pragmatic concerning leave practices, such as allowing workers to carry over their holidays.

When decisions to change pay and benefits are being made, employers should communicate to workers about what's proposed, how it will be implemented and when it will be introduced. Firms should answer questions with honesty and consider suggestions regarding how the proposals can be improved, as well as thinking of the messages it needs to get across and the language and media it feels is most appropriate.

Finally, businesses need to be mindful that they can help to maintain, or even increase, staff loyalty by treating them fairly during the crisis, making it easier to hit the ground running again once this crisis does eventually pass.

Thank heavens for GDPR!

By Jane Beverley, Trustee Director, Law Debenture

Anyone involved in pensions will remember how 2018 saw us grappling with the General Data Protection Regulation (GDPR), scrutinising pension schemes' data processes and asking hard questions about cyber security. However, many of us will now be saying 'thank heavens for GDPR' – without that, we might not have been able to rise to the challenge of home-working with anything like the same degree of success.

Cynics thought the UK's IT infrastructure would simply collapse under the weight of home-working, home-schooling and online home-entertainment, but so far the system seems to have been remarkably resilient. What the COVID-19 crisis has, however, brought to the fore are questions of data protection and cyber security, with trustee meetings and administration now being carried out from home.

Prior to COVID-19, video-conferences were only rarely used at trustee meetings. We have all now become experts, exchanging tips on the merits of systems we had not even heard of a week before. However, new technology brings new concerns, and experts have questioned whether all the products in use have appropriate privacy settings, or, if so, whether these are being applied appropriately.

> Before using a system for the first time, it's worth asking your IT department how to ensure the privacy of attendees and the confidentiality of the matters being discussed.

Another potential risk is people working on their home computers or using home email addresses. Thanks to GDPR, most trustees, administrators and advisers had already put measures in place to protect member data through the use of secure remote access facilities. Trustees who are not still employed (for example pensioner-nominated trustees) may have been given secure email addresses rather than having to use their private accounts. Confidential material (especially that including sensitive personal data) is also routinely protected by being uploaded onto secure servers or using password protection. If any of these protections isn't already in place then it should be considered urgently. Even if they are, trustees should ask whether processes are sufficiently robust.

One area that is still being considered is the receipt of original documents such as death certificates. Whilst many administrators are operating a skeleton staff to deal with post, there will be many cases where individuals cannot get to a post office to send the original, for example if they are self-isolating. Trustees will need to consider how to deal with such documents, balancing the safety of administrators and members with the need to reduce the risk of fraud. Another area where practice is still emerging is electronic signatures, which are not yet universally accepted.

When we emerge from COVID-19, it's likely the world will feel a very different place. We can hope that the lessons learned during these strange few months will have focused our attention on ensuring that remote working is, nevertheless, secure working.

Cyber Security for Pension Schemes: six simple steps for trustees

By Samantha Howell, Associate, Burges Salmon

Cyber security is one of the biggest risks facing pension schemes in the new decade and most schemes are not adequately prepared. What simple steps can trustees take now to protect their members?

The first three weeks of the decade have been difficult for the currency exchange group Travelex; since a reported ransom demand of $6m from hackers on 31 December 2019, Travelex has been offline, causing significant disruption to its customers, including a range of high street banks and supermarkets.

Why do trustees of pension schemes need to consider cyber security?

It is expected that the trend of high-profile cyber security incidents will continue for the rest of the year and the rest of the decade. It is only a matter of time before we see significant incidents for a range of pension schemes.

Due to their very nature, pension schemes present criminals with a potential source of significant quantities of data and assets. The industry and the Pensions Regulator (TPR) recognise that schemes are a prime target for fraudsters and criminals. TPR's published guidance highlights that all "pension scheme trustees need to take active steps to protect members and assets against cyber risk" and the Pensions Administration Standards Association (PASA) recommends that trustees prepare for when a cyber security incident occurs rather than if an incident occurs.

What can pension scheme trustees do to reduce the risk of cyber security threats?

Of course, it is impossible to remove all risk of a cyber security incident taking place, but here are the recommended steps we think pension scheme trustees should take now to significantly reduce the risks:

1. **Carry out an initial risk assessment:**
A first step is to review your current security levels and consider whether there are any 'weak links' in your processes. For example, do the trustees have secure email addresses and secure devices on which they access scheme data? Is it possible to anonymise meeting papers further to limit the amount of data being transferred between parties? If there are any 'weak links', consider how to make the security around these more robust.

2. **Have an incident response plan in place:**
If a cyber security attack were to take place, do you know what steps you would take to deal with it? All decisions and remedial action will need to take place very quickly. It is vital to plan your response in advance, mapping out what the process would be and who the key decision-makers would be if an incident took place.

3. **Audit your advisers/suppliers:**
Have you asked questions of your key third-party suppliers – including scheme administrators and investment managers – about what they would do if a cyber security attack were to take place that affected your scheme? Do they have an incident response plan of their own? It is also worth reviewing the contracts for these suppliers to understand where responsibility for a cyber security breach would lie. If this is not currently covered in your contract then you should consider setting this out for clarity.

4. **Consider your insurance:**
What insurance cover (if any) do you have in place that you could call on in the event of a cyber security attack? If you have insufficient or no insurance, consider whether there is any cover (or additional cover) that you should put in place now.

5. **Monitor cyber risk:**
A pension scheme's cyber risks should be assessed, recorded in the scheme's risk register and regularly reviewed.

6. **Have trustee training:**
Does the trustee board know what to look for? What are the warning signs of cyber security scams and common preventative measures? PASA's guidance highlights that human error is the most common cause of cyber security breaches; training is a vital mitigating step against this risk.

ESG momentum

– the promise of better investment returns?

By Emily Forsyth-Davies, Responsible Investment Specialist, River and Mercantile

Environmental, Social and Governance (ESG) was the investment hot topic of 2020. But the events surrounding the COVID-19 pandemic have taken centre stage. ESG is still very relevant and for those who are still asking "how can I reduce the ESG risks in my portfolio without sacrificing investment returns?", Emily Forsyth-Davies explains...

What is ESG momentum?
ESG momentum is a term used to describe how companies are changing their ESG characteristics through time. Those with positive momentum are improving their ESG practices. For example, improving governance by appointing non-executive directors to the board, improving supply chain transparency to ensure suppliers meet human rights standards, or setting carbon reduction targets.

Any such improvement in ESG characteristics is not only reflected in a company's stock price but also its underlying financials. This leads to long-term benefits for investors.

How can it add value to my portfolio?
Most ESG minded investors invest either into 'best of breed' ESG stocks or via exclusionary strategies (excluding things like fossil fuel companies, tobacco, alcohol, gambling). However, this does not always lead to improved returns. For example, since 2007, Morgan Stanley Capital International (MSCI) World ESG Leaders have performed in line with MSCI World. This is because the market has already priced in these positive characteristics for companies who are ESG Leaders.

There is evidence that the market has been slower to pick up the benefits of positive ESG momentum. Over the period since 2015, the relative performance of top quintile ESG-rated companies versus bottom quintile has been positive. But performing the same analysis for ESG momentum rather than ESG rating gives even better results. Results corroborated by third-party analysis using data from both the dominant ESG data providers, MSCI ESG Research and Sustainalytics.

Timing
Positive ESG momentum often happens when there is a significant change in the board composition of a company. This can be when longstanding board members step down or begin thinking about building their legacies. At this point, the company can enhance its approach to corporate social responsibility. For example, by implementing better and enhanced talent management programs, or by reviewing current business practices and looking to improve health and safety for their employees.

There can be a significant time lag between these changes happening and the impact on a company's financials and share price. This is because companies that start the journey to improving their ESG standards can often face scepticism from investors. Many investors prefer to invest in an ESG positive index, which is an efficient way of removing unwanted potential risks. This means there can be an opportunity to enhance returns by investing when a company focuses on improving its ESG approach before the rest of the market catches up.

Case study – Costco

For those of you who aren't aware, Costco Wholesale Corporation is an American multinational corporation that operates a chain of member-only warehouse centres. Their ESG rating, based on MSCI ESG data, was CCC in August 2016.

In 2016 and 2017, two of the Costco's founders retired from the board of directors. This led to a change in the corporate governance approach. Over the following months and years, Costco's ESG rating improved because of three key drivers:

- Improvements in quality and safety, leading to a reduction in the number and repetition of product recalls;
- Continued efforts in the organic food space; and
- Strong labour management practices - unlike its main competitor Walmart, Costco does not have a ban on unionised employees, and it pays roughly twice the federal minimum wage which is higher than its competitors.

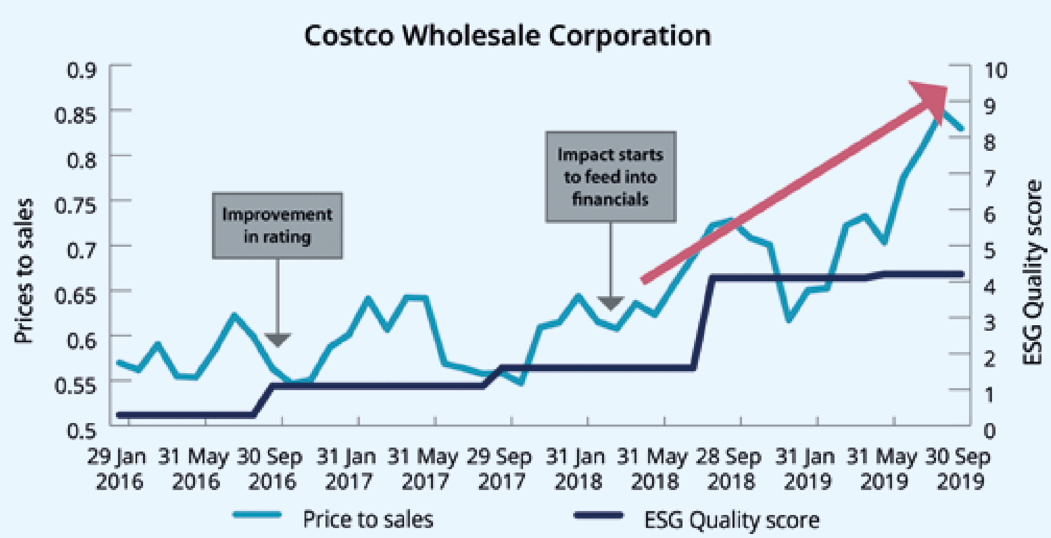
Costco showed significant positive ESG momentum over this period and improved its ESG rating by two notches to a BB in 2019. Over the same period, Costco's price to sales ratio increased by 25%. In contrast, over the same period, the price to sales average across the consumer staples sector was flat.

However, although Costco had been improving its ESG standard since 2017, it wasn't until mid-2018 that this started to feed into the financials and share price. This provided a period for savvy investors to take advantage of this opportunity and capture the 60% increase in Costco's share price.

Concluding thoughts

A lot of active ESG funds are invested in a limited set of companies with strong ESG characteristics. If we expand the investable universe to include stocks who are not yet as far along the ESG journey, but have positive ESG momentum, there are more opportunities to outperform. This can provide a different approach to a 'best of breed' or exclusionary strategy, and when accompanied by active ownership can help to raise companies' ESG credentials.

ESG investing doesn't have to mean sacrificing return; with positive ESG momentum, you can add value to your asset portfolio - all whilst supporting the companies working hard to improve their credentials.



Source: River and Mercantile Solutions, Bloomberg, MSCI ESG Research, 30 September 2019. Date of analysis: 1 Jan 2014 to 30 Sep 2019. Past performance is not a reliable indicator of future results and should not be relied upon.

FLAGSHIP EVENTS

All events are subject to change; please visit pensions-pmi.org.uk/events for latest updates.

6 May
WEBINAR: ENSURING EFFECTIVE GOVERNANCE IN TIMES OF STRESS - COVID-19 AND BEYOND
ONLINE

11 May
WEBINAR: DC PENSIONS 2025 – AN ODYSSEY
ONLINE

21 May
VIRTUAL ROUNDTABLE: GMP EQUALISATION - GRASP THE NETTLE
ONLINE

29 May
WEBINAR: DE-RISKING: WHAT'S ON THE HORIZON?
ONLINE

25 Jun
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29 Oct
SECRETARY TO THE TRUSTEE – ADVANCED
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04 Nov
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3 Dec
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ITM Student Essay Competition 2020

Congratulations to the winners of the 3rd student essay competition

1st Place: Michelle Cracknell, Independent Pensions Consultant
2 Runners up: Ben Picknett, Senior Consultant, Muse Advisory
Jennifer Dean, Pensions Administrator, First Actuarial LLP

Applications for our 4th Student Essay Competition 2020 are now open, registration deadline is 5:00pm on Friday 15 May 2020. Entrants should write an essay of 1,500-2,000 words on the following topic:

"Covid-19 has changed the way people and companies in the pensions industry are working. Will these become permanent changes in working practice, operational delivery and communication, or will old habits and methods return? What can we learn from current practices and what does the speed of change since restrictions were imposed tell us?"

For more information please visit: www.pensions-pmi.org.uk/student-essay-competition

Winning ITM Student Essay

By Michelle Cracknell, Independent Pensions Consultant

Data managed by schemes and providers to administer pensions could be used to better segment and target member communications to improve engagement.

A note was sent round the office asking people to sign up for a sponsored abseil in 6 months' time. It was just the sort of challenge that I enjoyed. However, there was an added significance; I was 6 months pregnant with my first child. It was the perfect way to prove to myself, and others, that I was the same person when I returned to work. I signed up. To this day, I remember standing at the top of the building listening to abseiling instructions. All of a sudden, the enormity of having a child hit me. For the first time, I was aware of my responsibilities and own mortality. If someone had spoken to me at that moment about how to ensure the future security of my new baby, I would have been engaged and "bought" whatever product achieved that objective. That is the power of life moments.

The information sent by scheme/providers to members has improved enormously over the last few years; it is written in plain language; it has pictures and may even have videos. But, schemes/providers are telling the members the things that they think that are important for the member to know. They may be important for the members to know but are the members listening? Telling members things that the schemes/providers thinks the members should know is not communicating; it is broadcasting.

Communication is a two-way process where each side listens to each other. The best way to get members to listen is to listen to them. This can be done by "listening" through the data. For example, if the scheme/provider "listens" that a member has had a child (through the contribution holiday), it provides a platform to communicate to that member about matters that are relevant when someone has had a child, such as the ability to nominate to whom the death benefits are paid.

The question should not be how schemes/providers improve engagement but how they can be more engaging; improved engagement will be the result. There are three ways schemes/providers can be engaging.

1. **Communicate with members on the things that matter to them.**
2. **Find out more about the members so that the scheme/provider can help them with the things that matter to them.**
3. **Deliver value to the members by communicating on things that matter to them right now so that they share more about themselves.**

These factors use data that scheme/providers have and help them improve the data that they have enabling them to deliver segmented communications that members value. This is how it can work.

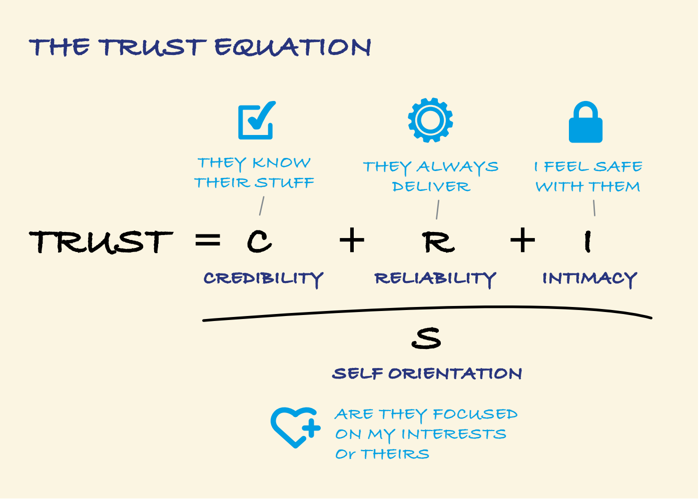
What matters to members

The data managed by schemes is rich with life moments. Schemes often know when a member has moved home, got married, given birth to a child or got divorced. Yet, schemes/providers rarely use this data. Instead, scheme/providers spend money on expensive communications that count down to a retirement date that are not relevant to a high proportion of the members. The reaction of members to this type of communication is not engagement. In fact, it can lead to the wrong or no action; some members take benefits, even if they do not need to and the rest of members will ignore it.

A more effective way of communicating is to contact members when something is happening in their lives, sometimes called "teachable moments" *(Source: PPI Report - Consumer engagement - the role of policy through the life course - July 2017)*. Teachable moments or life moments such as moving house, getting a job or starting a family often impact the member's financial position including their pension. For example, when a member gets divorced, he or she will request a valuation from the scheme/provider sometime resulting in money being paid in or out of the scheme. Divorce has a major impact on people's financial position and their retirement yet schemes/providers do nothing to engage with the members at this time. Schemes/providers could provide real help by giving the member the questions that they should be asking themselves or others to better understand how to rebuild their pension to achieve their retirement objectives. Schemes/providers should actively help people at these known life moments because this is what matters to the members.

Finding out more about the members

Of course, there are life moments that happen to a member, particularly a deferred member, where the scheme/provider is not aware but it could really help the scheme/provider and the member if they knew more about the impact on their pension. This would require members to share personal data with the scheme/provider. Members, in fact people, will only share personal data if they understand the context and trust the recipient. If schemes/providers are going to build up the data to better segment and target member communications, it needs to establish trust with its membership. Ask "Are you married?", "What other pensions do you have?" to members without context or trust will, at best, fail to get the data and, at worst, upset the members. It is therefore important for schemes/providers to build the trust with the members so that they are ready to share information with the scheme. The equation of trust is:

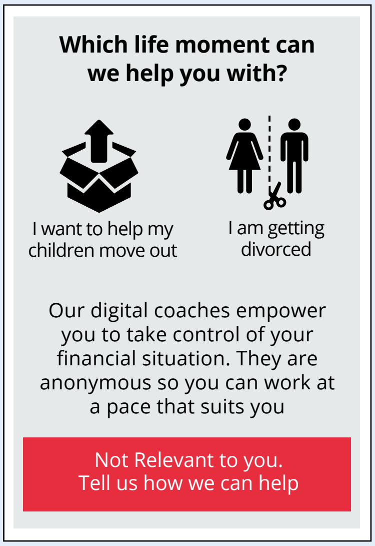


(Source: Defining Trust by Charles H Green).

What does this mean in practice for a scheme/provider? The quality of the scheme's data is at the heart of credibility, reliability and intimacy

- **Credibility** - A scheme/provider should build credibility by investing some money in making the data as best it can.
- **Reliability** – Schemes/providers should look at the time it takes to respond to members' questions and, most importantly, not leave members with "dead ends" – if the scheme/provider cannot help, signpost the members to organisations that may be able to help.
- **Intimacy** – Schemes/providers should allow members to decide what and when they share their personal data with the scheme; the more control that the members are given, the more likely they are to share. It also goes without saying that schemes/providers have been entrusted with sensitive personal data and therefore the scheme/provider should protect it.
- **Self-orientation** - Schemes can be selfless by offering help and guidance on areas that are not directly related to pensions but impact on their members' overall financial wellbeing.

Having created a trusted and sharing relationship with its members, schemes/providers can find out more about its members giving the ability to target communications.



Source: Aligning Consumer & Marketing Outcomes in Pensions by Life Moments

Prompting people to think about their pensions when they are facing a life moment. These could include having a child, helping with the cost of your child's education or moving out or getting divorced. Once a member identifies the issue that he/she is facing, the member can access knowledge, play with tools and even update their data. Much of this content has already been built by schemes. The key difference is the nudge to get members to engage.

Adding value to the member

The virtuous circle is that by using the data to provide targeted and relevant communication where the member sees the value leads to a two-way flow of information resulting in richer and more accurate data. This will enable schemes to be managed more efficiently and for members to achieve better outcomes. Here is an example of where data was used to add value to football fans.

In 2005, Celtic Football Club introduced electronic season tickets. This enabled them to know more about their fans and their habits. It sent emails to fans who continually reached the stadium within seconds of the match starting to them to gently remind them of the benefits of turning up early including a reduction in the policing costs paid by the club. Lower policing costs would enable the club to reduce the increase in ticket costs. The club set itself a golden rule that emails that were sent to more than 500 fans were probably too random to have any effect.

As well as being relevant by sending out small volumes of communication to segmented members, schemes/providers need to communicate with members again and again and again in order to add value. "Repetition is the mother of learning, the father of action, which makes it the architect of accomplishment." (Source: Zig Ziglar). The reality is that every communication with members cost money; more communications to multiple segments, multiple times will increase costs. Electronic contact details are essential in order to communicate frequently as this type of communication can be sent at a fraction of the costs. Most employers know the personal telephone number and email address of its employees but many schemes only have the work email in the data it holds on its members. Can there be a more joined up approach on enrolment into the pension scheme between HR and the scheme's administrator? Can the administrator be prompted to ask for the personal email address every time a member contacts them?

Budget could be saved on the boiler plate communications such as the annual benefit statement, where the open rate is never likely to be over 30% of the members and much of the information can be accessed anyway by the member online at any time. There should be a critical examination on all other communication spending; how much should be spent on further enhancements to the website that is rarely visited and videos that are not being watched? Building interesting content does not drive engagement. Schemes/providers should spend more of the budget on nudging members at their life moments; it is about prioritising context over content. Schemes/providers should apportion at least 80% of their budget on the nudge and the rest on the content rather than the other way. In fact, most schemes/providers already have built the content so by redirecting the budget to effective nudges, the existing content will be accessed more and valued.

Conclusion

The simple message to scheme/provider is "Being interested has more worth than being interesting." *(Source: Dale Carnegie)*.

- Engage with members on the things that matter to them, which is usually linked to their life moments rather than spending the communication budget on pushing out information on the things that the scheme/provider thinks that the member should know.
- Grow trust with members by investing in making the data as good as it can be and ensuring that the service provided to members is credible and reliable.
- Deliver relevant communication to members at their life moments where they see the value and are therefore are more willing to invest the time in sharing more information.
- Communicating with members needs to be repeated again and again and again so electronic contact details are essential.

Schemes/providers should focus on nudges at life moments to segment and target its members. Communicating at life moments is helping members on the things that matter to them and hence the member will engage. Engaging communications targeted at life moments improves engagement.

Our 1st place winner is a well-known professional within the industry. She is an excellent example of an individual who has demonstrated continuous professional development by embarking on further training through formal assessment and recently completing the Award in Pension Trusteeship. This shows PMI qualifications are available to anyone at any stage of their career and encompasses the essence of lifelong learning.

Building engagement

The PMI's expert panel discusses engagement, asking how we can make pensions real for scheme members.

Jonathan Stapleton, Editor - Professional Pensions, Incisive Media
Anna Copestake - Partner at Arc Pensions Law
Michelle Darracott - Chief strategy officer at Smart Pension
Ellie McKinnon - Chief executive of the Cheviot Trust

The decisions members make, or don't make, can have a huge impact on their retirement outcomes, both good or bad. There can be a fine line between being empowered and having too much responsibility, and that's assuming you can grab their attention in the first place.

A Pensions Management Institute panel discussion – held on 10 March in conjunction with Arc Pensions Law – took a look at the issue of member engagement, asking what success looks like and what, if anything, schemes need to be doing differently.

Michelle Darracott, chief strategy officer at Smart Pension, said she believes the industry needs to normalise engagement for scheme members and aspire towards the experience offered by organisations such as Spotify and Amazon.

"The absolute utopia would be to create engaging member experiences like that for the pensions industry," Darracott explained. *"Why shouldn't we aspire to be on the same level as those types of organisations?"*

Importantly, however, she said that technology must play a much bigger role in engagement and added that engagement must come before education if schemes wanted to get the best value out of what they do.

Anna Copestake, a partner at Arc Pensions Law, said it is also important to focus on what it is schemes want to get out of that engagement and what the output of such engagements look like – whether that be members increasing contributions, them being more engaged with investment strategy or something else.

She said: "*Sometimes I think we can focus on engaging members without stepping back and thinking what do we want out of it*".

Ellie McKinnon, chief executive of The Cheviot Trust, agreed but said consistency and simplicity was also key, noting her scheme tries very hard not to have more than one or two messages per communication and avoids jargon as much as possible.

But she said trust was also important, noting that communication becomes much easier as trustees build up member confidence by explaining what they are doing for members over time.

She explained: "Embedding a high level of trust in your communications and your engagement with members is a really key objective".

Engagement success

But what does successful engagement look like? McKinnon said a very basic measure could be people simply opening the communications they are sent and completing a certain action but noted that real engagement with pensions is still a long way away.

"We really need to get to where Australia is, where they talk about pensions over the barbie and it's a real topic of conversation," she said. "At the moment, however, we seem to be a really long way off".

Using what are called teachable or pivotal moments – those times in people's lives where they are perhaps most susceptible to messages about pensions, such as when they move job, get married or have a child – could be invaluable in this regard.

Darracott explained: *"It is at these points of time when people are most engaged and you probably get maximum benefit from engaging with them".*

This is one area, Copestake said, where employers could play a role as they often have the key data needed to make engagement at such pivotal moments a success – and are also more trusted by employees too. But, despite this, there are few requirements on employers to assist.

She said: *"There are actually very few obligations on employers to help us in this area. It's quite minimal in terms of how they have to communicate with employees on this and I have a bit of a bugbear about that".*

Guidance

The issue of how much employers and trustees can actually tell members was also a big issue for panelists as well as the audience.

As McKinnon explained: *"People are nervous about saying anything that could be construed as advice".*

Copestake agreed: *"Advice is a personal recommendation, guidance is general principles but there is this massive gap in the middle and that's where all the useful stuff for members sits".*

She said the industry should put pressure on the regulator to help both trustees and employers get more comfortable with that gap and feel they are able to provide better guidance to members.

Copestake added: *"I think we're letting members down because, at the point they need us the most, we feel our hands are tied".*

Dashboard and ESG

The panel also felt the pensions dashboard would help engage people with their pensions but warned against trying to do too much with it too soon, noting a straightforward service to help members find what pensions they had would be an excellent start.

McKinnon explained: *"If all we did in the next three years was to provide people with a list of their pensions alongside links to where they could find out more information, that would be a massive step forward from where we are now".*

This view was shared by Copestake. *"We have to be careful not to run before we can walk,"* she said.

Copestake also believed the increased use of ESG in defined contribution investment strategies would also boost engagement with pensions.

She said: *"ESG is an incredibly powerful tool. There's a lot of evidence there of it evokes quite emotional reactions, which is what we want. But it is also relatively tangible for members."*

"Technology is a great enabler, but it is a blunt tool in itself it is not just about the technology itself but also the customer journey that you take the member on."

Final thoughts

McKinnon concluded with her belief that the first key step the industry needs to take is to normalise pension communication. She explained: "Things like apps are great; if people don't understand the terminology, you're not going to engage them."

She also emphasised her thoughts on member guidance. McKinnon noted: *"I think trustees have to be brave and take decisions for members. And that means that we need the government to be clearer about advice and guidance".*

Summing up, Copestake's key takeaway was on the "overriding issue of trust", which she said was something both trustees and employers could work on. And she agreed with McKinnon that the industry can do more to support members. "Trustees should be and can be bolder," she added.

Darracott's final thoughts were around technology, which she felt could be a great enabler if used in the right way. She said: *"Technology is a great enabler, but it is a blunt tool in itself – it is not just about the technology itself but also the customer journey that you take the member on".*

This is an edited version of a Pensions Management Institute panel discussion held on 10 March. For more information on future PMI webinars and events, please visit: **https://www.pensions-pmi.org.uk/events**

Congratulations to Michael Clark for becoming the first fully accredited professional trustee in the UK.

Professional trusteeship **accreditation**

By Michael Clark, Professional Trustee and Director at CBC Pension Services

I passed, what was then the PMI Associate exams, in 1990, to have the hard fought for initials APMI after my name. At the time, I thought that having passed these I would not be doing any more pension exams in my working life. As an APMI I believed then, and still do, that the qualification is great for your career and for teaching you aspects of pensions that you may not have first-hand knowledge of.

When The Pensions Regulator made abundantly clear that the standard of trusteeship needed to rise in order to face the very different challenges which the pensions industry, the employers who fund pension schemes and the members who expect to receive benefits from pension schemes now face, I supported the greater professionalisation of trusteeship. The tricky part, of course, is how you achieve this.

Whilst PMI exams and The Pensions Regulator's trustee toolkit are undoubtedly a help in demonstrating technical competence in a professional trustee, in our experience, which is by no means unique, a large part of the job is around soft skills.

How do you bring a trustee board together? How do you manage a number of different advisers in order to form a team collaboratively working the best for the good of the client? And last but by no means least, how do you develop and maintain professional working relationships with employers who may have very different views about the pension scheme?

Along with others, I volunteered to sit the PMI Certificate in Pension Trusteeship in January this year. I must admit to a degree of scepticism about sitting a 90-minute multiple choice exam to measure whether my soft skills were demonstrably good enough as a professional pension trustee. I did some reading around people skills and managing meetings as preparation. In the exam room it is very much a case of using the time wisely, not panicking when the answer didn't jump out at you and remembering to breathe. I found there were questions where I felt the answer could be one of two or three, or a mix of these. In these cases, it's the old chestnut of going back to the question and making sure that you read it properly and understand exactly what you're being asked.

I came out the room feeling that I had been in a challenging trustee meeting which I guess is not a bad synonym for what the exam is out to measure.

I believe that anyone who holds themselves out to be a professional trustee should be fully accredited and, going forward, this will be the expectation not the exception.

The Pensions Regulator

TPR remains focused on supporting savers, employers and pensions schemes as they navigate COVID-19

The coronavirus pandemic has changed the world. What has not changed is our resolute support for savers and the people who run pension schemes.

We're acutely aware of the strain COVID-19 is putting on savers, employers and pension schemes and we are working hard to adapt to the challenges, to provide clarity and to ease the burden.

Since the COVID-19 outbreak, The Pensions Regulator (TPR) has released new guidance to support trustees, administrators and employers, and protect savers throughout these challenging times.

Trustees and scheme managers

Key measures include giving more time for trustees to consider the scheme's and employer's situation. Trustees will be able to decide to delay concluding their valuation and establishing their deficit recovery plan if they need to, by up to three months, and we won't take regulatory action in these instances.

We've also advised that Defined Benefit (DB) Trustees should be open to accommodate requests from the employer to reduce or suspend Deficit Recovery Contributions (DRCs) in line with the principles set out in our guidance.

Savers

The measures for trustees and employers work to provide support and flexibility to safeguard schemes so that savers are protected.

We want those paying into a workplace pension, and who have a long time to retirement, to understand that, historically, financial markets have recovered from shocks. The current volatility might have no impact on their ultimate retirement benefit.

Defined Contribution (DC) savers close to or considering retirement may have already seen their pension moved into investments less vulnerable to market volatility.

There may be concern about an employers' ability to continue supporting a DB scheme, motivating savers to look to other options. We are doing all we can to support trustees in managing these risks and protecting benefits.

In line with protecting savers, we are also calling on scheme trustees to ensure they follow the right process if asked to make a transfer, ensuring people take appropriate advice from Financial Conduct Authority (FCA) regulated adviser.

In the longer term, we expect any and all missed contributions to be made up in full so staff do not miss out, and have asked providers to continue reporting to us so we have accurate records.

Our position remains that savers with DB pensions should understand it's unlikely transferring into a different type of arrangement will be in their best long-term interests.

Market volatility and uncertainty over employment may prompt people to look again at their short and long-term household finances.

While worries about immediate priorities are understandable, they should not lead to knee-jerk decisions. We urge savers to stop and think before, for example, making a decision to transfer their pension to another arrangement, which they may later regret.

Scams

A major concern is the possibility of scammers taking advantage of peoples' worries to persuade them into transferring funds into bogus investments.

Research suggests one in four people take less than 24 hours to make a decision on their pension, money that can take a lifetime to build.

We've renewed our focus on ensuring savers can spot a scam by encouraging them to visit the FCA's ScamSmart COVID-19 guidance and check its warning list before making hasty decisions.

We've seen that in times of uncertainty, scammers come out to prey on their victims. Fears about COVID-19 and rapidly moving markets are likely to present them with the confidence they can ravage savers' pensions. They might do this through the offer of pension reviews, or the carrot of superior returns. It's important that savers know the potential dangers of an unsolicited or unregulated transfer and investment advice, and are not persuaded to follow it.

We might be physically separated from each other, but we don't have to be isolated. Advice is still available to savers and we must make sure that the message isn't lost in the panic.

Employers

To help employers, we are working closely with pension providers and asking them to be as flexible as possible so that employers have more time to pay automatic enrolment (AE) contributions.

We expect employers to continue to meet their AE duties towards their staff including paying the correct contributions. The government's Coronavirus Job Retention Scheme means employers will be able to claim back the costs of their AE minimum employer contribution for furloughed staff. This will help them meet their AE responsibilities. And, in order to reduce the burden on employers further, we are temporarily limiting some of our enforcement activity.

In the longer term, we expect any and all missed contributions to be made up in full so staff do not miss out, and have asked providers to continue reporting to us so we have accurate records.

Our guidance and range of measures to support savers, employers and people who run pension schemes will be regularly reviewed and updated as we continue to respond to events as they unfold. There will be more challenges ahead, but we will continue to focus on supporting pensions schemes so that savers are protected as we weather this unprecedented storm.

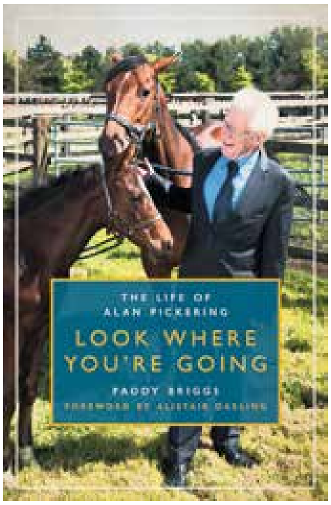
Book review by Alan Whalley, Chairman of the board, The Pensions Management Institute

PMI member book review

Look where you're going: the Life of Alan Pickering by Paddy Brigg

Alan Pickering's tale is not just the story of the local boy who came good. It's the story of a boy who did very well indeed. Born with a degenerative eye disease that left him blind by the age of thirty, Alan Pickering was not going to let this stop him becoming a leader in the world of pensions, winning 'Greatest Single Contribution to Occupational Pensions (1998–2017)' at the Professional Pensions UK Pension Awards. This book is an essential read for anyone with an interest in pensions or policy making, but the book also delves into Pickering's love of horse racing and sport. Pickering is an excellent candidate for a biography - the man who has more vision than most.

The book owes its title to a harassed lady who collided with Alan's white cane as they both traversed the busy Waterloo station concourse during the evening rush hour. It is a deeply human story about a fiercely independent 'blunt bugger from the north' who refused to make concessions for his loss of sight by the age of 30 (shunning the use of a white cane for many years), and who became a high achiever against all odds.



The book also provides a window on the world of UK pensions over the last 50 years from someone who strives to make it a better place for the member.

As a founder member of the PMI in 1976, Alan was one of the first to study for the PMI exams and later, following a change in career into pension trusteeship, also gained the award in pension trusteeship in 2010. He is a former chair of the National Association of Pension Funds (NAPF), now the Pensions and Lifetime Savings Association (PLSA), and the European Federation for Retirement Provision (EFRP), and he is currently President of BESTrustees and a Vice President of the Racehorse Owners Association. His Blair government sponsored report 'A Simpler Way to Better Pensions' was published in 2002 and led to the establishment of TPR (where he served two terms as a non executive director) but sadly the government failed to grasp the nettle on many of his recommendations. He remains an active trustee of a number of pension schemes, usually as chair, including PIPS (the Plumbing and Mechanical Services Industry Pension Scheme where he has been a trustee for almost 40 years), the People's Pension, the governance group of the Royal Mail Statutory Pension Scheme and, more recently, the Defined Benefit consolidator Clara. His industry awards are too numerous to mention.

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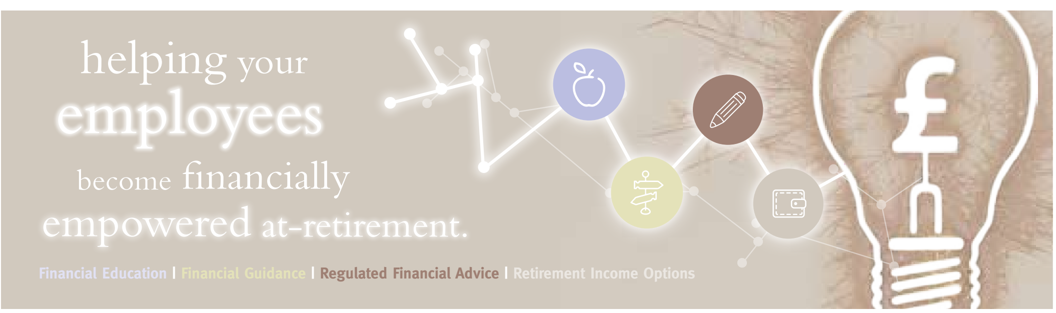

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Please do not hesitate to get in touch to discuss any staffing needs. We can work with you to adapt recruitment methods so that you don't miss out on top talent in the market.

If you are looking to perfect your CV, for tips and advice to help you enhance your telephone interview technique or more general career counselling - we are here to help.

Pensions Analyst
London — **£in line with experience**
Gain varied, valuable experience with this specialist firm. Support trustee board on administration aspects of the scheme. Self-starter with DB experience required. Ref: 1376119 FR

Pensions Executive Administrator
London — **£competitive**
A rare opportunity has arisen within this investment trust, for an ambitious individual to take their career forwards. Ref: 1375918 NMJ

Trainee Scheme Manager
London/Berkshire — **£attractive**
Exciting opportunity to commence a career within the financial services, join a growing team providing secretarial and governance support. Ref: 1376113 NMJ

Pensions Administrator
West Midlands — **to £26000 per annum**
Join a market-leading consultancy to contribute to the continued success of their service delivery whilst expanding your experience. Ref: 1374888 NMJ

Head of Operations
Nottinghamshire/London — **£excellent**
Key appointment to champion highest standards of delivery, establishing best practice standards, using your Pensions DC Administration expertise. Ref: 1376026 BC

Professional Trustee
London/Berks/West Midlands — **£attractive**
Progressive career move within the professional pension trustee sector as you support growth of the business. Ref: 1373173 SB

Client Director, Professional Trustee
Agile working or London — **£superb**
Due to continuing business wins, this highly respected independent Pensions specialist is keen to speak with motivated Pensions professionals keen to develop their career as a Professional Trustee. Ref: 1376109 SB

Trustee Executive, Governance, Secretariat
London/Berkshire — **£superb**
An exceptional opportunity to join an award-winning independent Pensions specialist and take on a highly varied client portfolio. Ref: 1376117 SB

Corporate Pensions Manager, in-house
Hertfordshire — **£attractive**
Superb career-move for a near/qualified Pensions actuary with this £multi-billion pension fund in-house team. Ref: 1376036 SB

Manager x 1, Head of Trustee Services x 1, in-house
Hampshire — **£excellent**
Highly varied and rewarding in-house career moves with this £multi-billion pension scheme, joining a small team of skilled Pensions professionals. Ref: 1375973/1375975 SB

Deputy Pensions Manager
Surrey — **£attractive package**
Exceptional, progressive in-house appointment for a motivated Pensions professional. M&A and TUPE knowledge beneficial. Ref: 1375384 SB

Scheme Manager
London/Berkshire — **£very competitive**
Provide secretarial and project support to Trustee Managers & Directors. Roles across multiple levels within this progressive Pensions Trustee firm. Ref: 1376112 BC

Pensions Operations Analyst
London — **£competitive**
Are you an exceptional Senior Pensions Administrator/Team Leader, with strong data/excel skills? Fantastic career path, with training and development within this reinsurance role. Ref: 1365775 JW

Team Leader, Pensions Administration
Kent — **£in line with experience**
Oversee a team working on a high-profile client's DB scheme. Flexible working and competitive benefits on offer. Ref: 1375965 FR

Assistant to Secretary to Trustees, part-time
Home-based — **£20 per hour**
Arrange, prepare for and occasionally attend trustee meetings, supporting the Pensions Manager. DB scheme experience required. Part-time, c. 15 hours/week. Ref: 1376122 FR

contactus@abenefit2u.com
Call us on 0207 243 3201

Abenefit2u
Recruitment Specialist

We would like to take the opportunity to wish all our clients & candidates well in these difficult times. Abenefit2u remains open and available to take calls about current or future vacancies, to offer advice about prospective career opportunities or just have a chat!

We do have some exciting vacancies still open, however many of our clients have now decided to pause recruitment for the time-being but we are confident more opportunities will be active again very soon. Administration staff in particular will be in high demand across the UK and as soon as logistically possible recruitment for consultancies and pension schemes of all sizes will recommence with gusto!

It is without doubt a deeply troubling and difficult time for all on a global scale. Despite the current challenges we think this is a great time for reflection; take time to evaluate your career goals and review your current role. What are your personal motivators, what do you want to achieve in your professional life?

If you are thinking about a change in the future now is a great opportunity to take a look at your CV - we are happy to help with tips on how to improve it! Brush up on interview techniques. Refresh IT skills such as Excel, maybe learn something new which will add an extra level to your professional skills.

Are you an Administration Manager concerned about Service Levels?

It is possible to hire experienced contractors with excellent pensions technical administration knowledge to help your team whilst we all try to navigate through the next few weeks. Contractors are accustomed to 'hitting the ground running'. They have knowledge of a wide range of schemes and are often used to working from home, dealing with complex cases. Just give us a call if you would like to discuss how this could be an option for you.

Please stay safe, be kind and look out for those less fortunate, elderly or vulnerable