

[scheme name] (the "Scheme")

Covid-19 checklist for completion by Open Trustees Limited



Introduction

This checklist allows Open Trustees Limited (**Open Trustees**) to understand the scheme-specific risks arising from the Covid-19 pandemic and the actions that should be taken to mitigate such risks.

This checklist should be completed by an Assistant Pensions Manager in relation to each of our schemes having discussed this with the Open Trustees' director responsible for the matter, the scheme administrator, the scheme actuary, the scheme investment consultant and, where appropriate, the scheme auditor.

The completed checklist should then be stored in HighQ and reviewed on a regular basis as the Covid-19 pandemic develops.

The completed checklist can be sent on request to the sponsoring employer (or its insolvency practitioner), the scheme's professional advisers, the Pensions Regulator (**tPR**) and the Pension Protection Fund (the **PPF**) (if requested).

Each question should be answered briefly and mark "Not applicable", where appropriate.

The checklist comprises the following sections:

- trustee governance;
- administration;
- member communication;
- investment;
- funding;
- employer covenant;
- compliance;
- defined contribution benefits, AVCs and life assurance; and
- special projects.



Checklist – Covid-19

Overview

Scheme name:	
Sponsoring employer:	
Sole or co-trustee appointment:	
Scheme administrator:	
Scheme actuary:	
Scheme investment consultant:	
Scheme investment manager:	
Scheme auditor:	
Scheme legal adviser:	
On-going appointment / solvent winding up / Pension Protection Fund:	

Checklist – Covid-19

Trustee governance

	Issue	Completed
1.	Engagement with key stakeholders – check lines of communication remain open between Open Trustees and key stakeholders including co-trustees, sponsoring employer (s) (or insolvency practitioner, if applicable), scheme administrator, other professional advisers and investment managers / confirm stand-ins where key stakeholders are absent through social isolating or illness	
	Comments:	
2.	Attendance at meetings – agree approach to future trustee meetings whilst social distancing measures are in place including dates of meetings, attendees, format of meeting (e.g. Skype, Zoom or similar) and circulation of meeting papers (this includes regular trustee meetings, Meetings 0 and 1 and monthly project calls for PPF cases)	
	Comments:	
3.	Conduct of meetings – confirm chair and quorum position in scheme rules / confirm whether trustee decisions will be valid if held by telephone or electronically and not at face-to-face meetings / record agreed position in minutes of meeting if such confirmation is not possible or consider amendment to scheme rules	
	Comments:	
4.	Signatory lists – ensure signatory lists are up to date / update, where necessary	
	Comments:	
5.	Signatures / decisions – agree with scheme administrator, investment consultant, investment manager and legal adviser how the requirement for “wet-ink” signatures will be dealt with whilst social distancing measures remain in place including execution of deeds and other documents / consider Docusign or other methods as advised by legal adviser	
	Comments:	
6.	Online access to scheme information – confirm key stakeholders have online access to scheme information through HighQ and they know log-in details / arrange access, where necessary	

Checklist – Covid-19

	Issue	Completed
	Comments:	
7.	Discretionary decision making between meetings – agree approach to discretionary decision making in between trustee meetings where Open Trustees is not sole trustee / consider establishment of sub-committees, where required / consider use of written resolutions for major decisions	
	Comments:	
8.	Open Trustees' business continuity plan – inform sponsoring employer (s), co-trustees, scheme's professional advisers, tPR (if requested) and the PPF about Open Trustees' business continuity plan (see standard template for issue) and, where requested, Osborne Clarke's business continuity plan	
	Comments:	
9.	Notices and other formal documents – consider any forthcoming need to serve notices upon third parties or receive notices from third parties as service is often effected by post / agree alternative arrangements such as service by e-mail	
	Comments:	

Administration

	Issue	Completed
1.	Scheme administrator business continuity plans – engage with key contact at scheme administrator / obtain, review and approve scheme administrator's business continuity plans / raise any questions / store electronically in HighQ	
	Comments:	
2.	Scheme administrator remote working – understand scheme administrator processes for remote working / confirm position in relation to access to secure laptops, access to virtual private network, access to all applications and scheme information / ensure GDPR and confidentiality requirements still met	

Checklist – Covid-19

	Issue	Completed
	Comments:	
3.	Ability to process pensioner payroll and other daily payments – confirm scheme administrator can process pensioner payroll remotely including submission of BACS files, stopping payments and, where necessary, cheque production	
	Comments:	
4.	Ability to manage scheme bank account – confirm scheme administrator can continue to manage the scheme bank account and manage cash-flow remotely	
	Comments:	
5.	Prioritisation of key activities – agree with scheme administrator which member transactions will be prioritised in the event of staff shortages arising out of increased workloads, social isolation and widespread illness / note that tPR's suggested prioritisation is pensioner payments, retirement processing and bereavement payments and administrative functions to support these tasks / report failure to make payments to tPR in the normal way / discuss with key contact at scheme administrator relaxation of service level agreements	
	Comments:	
6.	Post – confirm with scheme administrator how incoming and outgoing post is being dealt with whilst social distancing measures in place and scheme administrators working remotely	
	Comments:	
7.	Member identification documents – confirm with scheme administrator how member identification documents will be dealt with as part of retirement or death claims / consider dispensation for original or certified copies	
	Comments:	

Checklist – Covid-19

Member communication

	Issue	Completed
1.	Member helplines / auto-response e-mails – confirm with scheme administrator that member helplines are being diverted to laptops or mobile numbers / review text of auto-response that scheme administrators propose to issue to members' email enquiries	
	Comments:	
2.	General member communication – agree text of general communication to be issued to scheme members with scheme administrator and the PPF (where required) / arrange for postage of general communication / communication to include assurance regarding continuation of pensioner payroll, nature of defined benefit pension scheme, warnings regarding pension scams, reminder to keep statement of wish forms up to date and how to get in contact with scheme administrator whilst social distancing measures remain in place / reduced service levels in event of widespread social isolation and sickness (see standard template)	
	Comments:	

Investment

	Issue	Completed
1.	Scheme investment manager business continuity plans – obtain, review and approve investment managers' business continuity plans via investment consultants to understand operational constraints	
	Comments:	
2.	Create cash buffer – speak to scheme administrator and investment consultant regarding the disinvestment of sufficient cash to cover the equivalent of two to three months' payroll (including anticipated retirements, other member movements and expenses) and implement / ensure that cash is being taken in line with scheme benchmarks or to realign scheme benchmarks	
	Comments:	

Checklist – Covid-19

	Issue	Completed
3.	Investment strategy changes – seek advice from investment consultant as to whether any current asset transition exercises should be stopped or delayed where this may result in crystallising losses (particularly where this involves the sale of growth assets) or out of market risk and higher costs (in light of liquidity issues) / obtain advice in writing and store in HighQ / send to the PPF (where required)	
	Comments:	
4.	Investment advice – consider seeking advice from investment consultant regarding impact of current market conditions on scheme investment strategy / consider whether further de-risking might be possible / consider rebalancing if automatic rebalancing is not in place	
	Comments:	

Funding

	Issue	Completed
1.	Funding update – consider whether an ad-hoc update on the scheme’s funding position might be useful / seek advice from scheme actuary whether an out-of-cycle valuation would be appropriate	
	Comments:	
2.	Current triennial actuarial valuations – seek advice on how the Covid-19 pandemic might impact the outcome of any current triennial actuarial valuation (in particular, prospect of changing effective date of the valuation and post valuation experience) and ensure that statutory deadlines can still be met / re-open existing negotiations, where appropriate	
	Comments:	
3.	Additional funding – discuss with employer whether there may be requirement for additional deficit reduction contributions	
	Comments:	

Checklist – Covid-19

	Issue	Completed
4.	Contingent assets – review contingent asset position and consider whether any triggers for possible payments e.g. payments linked to funding levels or bank covenants	
	Comments:	
5.	Transfer values – seek advice from scheme actuary as to whether transfer value basis remains appropriate in light of employer covenant deterioration and reduced funding levels / seek advice from scheme actuary to allow transfer values to be reduced / seek advice from scheme actuary as to whether transfer value quotations should be suspended / review any existing transfer value quotations issued but not yet accepted / ask scheme administrator to report on transfer value activity to identify any sudden increase	
	Comments:	
6.	Member option terms – seek advice from scheme actuary as to whether actuarial factors used for commutation, early retirement and late retirement remain appropriate	
	Comments:	

Employer covenant

	Issue	Completed
1.	Employer contributions – confirm that employer contributions continue to be paid to the scheme in accordance with current schedule of contributions	
	Comments:	
2.	Employer covenant review – engage with employer with help of covenant adviser (where necessary) to understand the impact of Covid-19 on employer's business as well as the payment of contributions and obtain copies of the employer's business continuity plans / confirm no notifiable events have occurred which must be reported to tPR / raise questions suggested by tPR as a starting point / commission formal covenant assessment, where appropriate / increase frequency of on-going covenant monitoring	
	Comments:	

Checklist – Covid-19

	Issue	Completed
3.	Coronavirus Job Retention Scheme – ask sponsoring employer whether it intends to make use of the Coronavirus Job Retention Scheme and, if so, how it intends to deal with payment of contributions and future accrual of benefits where the scheme is open	
	Comments:	
4.	Request for reduction, deferral or suspension of contributions – consider any employer request to reduce, defer or suspend contributions to the scheme with the benefit of advice from covenant adviser, scheme actuary and legal adviser / ensure no covenant leakage in the meantime (e.g. dividends or inter-company loans) / confirm whether other unsecured creditors are also being asked to agree to deferral arrangements / consider engagement with tPR and the PPF, where necessary	
	Comments:	
5.	Contingent assets – consider whether the scheme ought to obtain contingent assets as security in response to material deterioration in employer covenant or as an alternative to additional cash contributions (e.g. parent company guarantees, charge over assets, escrow accounts, letter of credit, surety bonds etc.)	
	Comments:	

Compliance

	Issue	Completed
1.	Scheme return – ensure contingency plans available to obtain information required to complete and submit scheme return through tPR’s Exchange system	
	Comments:	
2.	PPF levy reduction – ensure that contingency plans available to submit any information requirement to reduce PPF levy including completion of section 179 valuations, contingent assets, bespoke asset stress tests and deficit reduction contributions	
	Comments:	

Checklist – Covid-19

	Issue	Completed
3.	Scheme accounts - obtain, review and approve scheme auditor's business continuity plans / ensure adequate processes in place to complete scheme accounts within seven month deadline following discussion with scheme administrator and auditor	
	Comments:	
4.	Regulatory notifications – review scheme management plan and identify any other deadlines that may arise whilst social distancing measures remain in place e.g. ICO registration renewal, submission of information to HMRC, complaints deadlines etc.	
	Comments:	
5.	Risk register – update scheme risk register to reflect Covid-19 risks and document the mitigation taken as set out in this checklist	
	Comments:	

Defined contribution benefits, AVCs and life assurance

	Issue	Completed
1.	Member communication – consider tailored member communication for members with DC or AVC benefits to provide information on current market conditions as well as explanation of lifestyle or target fund date investment strategies	
	Comments:	
2.	DC discharge activities – seek investment advice on stopping or delaying DC discharge activities where this may result in crystallising losses including surrender penalties and market value adjustments / seek PPF input, where required	
	Comments:	
3.	Members approaching retirement – identify any members with DC or AVC benefits who are approaching retirement and whether any special communication might be appropriate	

Checklist – Covid-19

	Issue	Completed
	Comments:	
4.	Life assurance – review life assurance policy terms and consider implications of catastrophe limits (where applicable) and any consequent restrictions or limitations	
	Comments:	

Special projects

	Issue	Completed
1.	Impact of Covid-19 pandemic on special projects – consider stopping or delaying special projects that may be impacted by the Covid-19 pandemic including: <ul style="list-style-type: none"> • future service benefit changes; • liability management exercises including enhanced transfer value exercises or pension increase exchange exercises; and • buy-ins and buy-outs. • 	
	Comments:	

Completed by:	
Approved by:	
Date:	