

## TPR updates COVID-19 guidance

The Pensions Regulator has issued updated COVID-19 guidance including important news for pension schemes, employers and administrators. In recognition of the severity of the current situation for some schemes and sponsors, the guidance sets out unprecedented additional flexibility from TPR in some aspects of its activity, allowing it to focus on supporting employers, schemes and savers.

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### Key points

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The [updated guidance](#) makes clear that the Pensions Regulator is reorienting its activities to address the urgent risks to pension schemes and their sponsors that are presented by the crisis. Its policy development workload (including the revision of Codes and development of new guidance) and its regulatory initiatives will go on hold for the time being.

TPR also recognises that some technical breaches may occur as a result of under-resourcing due to the pandemic and states that it will take a proportionate and risk-based approach towards enforcement decisions.

### Trustees

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For trustees, TPR again underlines the importance of reviewing business continuity plans and speaking to administrators - in particular to clarify which activities trustees want the administrator to prioritise in the event of under-resourcing. TPR's suggested priorities are pensioner payments, retirement processing and bereavement payments.

TPR also highlights that scheme members may be targeted by scammers purporting to offer greater security for their pension savings. TPR asks trustees to urge members who ask about transfers to exercise extreme caution and to visit [ScamSmart](#) which now links to additional [FCA consumer guidance](#) relating to COVID-19.

### Distressed employers

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TPR has published separate information for DB trustees where the [sponsoring employer is at risk](#) and has asked to reduce or suspend deficit repair contributions (DRCs). This stresses the need for trustees to understand the corporate health of the scheme sponsor/group (even if information is not as robust as it might normally be) and includes a list of suggested questions for trustees to raise with the sponsor/group to understand its thinking about the impact of the pandemic. These include market conditions, banking/funding issues and whether government support is expected to be available.

TPR has already seen a rise in requests to defer DRCs and recognises that this may be appropriate in some cases, provided that this is part of a co-ordinated and fair response across key stakeholders. A list of principles to consider in relation to such requests is included; in urgent cases, any

concessions should be short term deferrals pending information to support a more considered decision. Further guidance on implications relating investments and liquidity is to follow.

## Administration issues

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TPR recognises significant additional pressure on pension scheme administration and that many non-critical trustee and member services may be affected including, for example, issuing annual benefit statements. Trustees and administrators should report to TPR immediately if they believe they will be unable to pay members' benefits; other breaches should be reported as normal and a pragmatic approach will be taken. We would expect that the Pensions Ombudsman would also allow greater flexibility than normal in the event of future complaints, in line with this guidance.

## Enforcement and regulatory activity

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TPR underlines that it will 'take a proportionate and risk-based approach towards enforcement decisions... with the aim of helping to get employers back on track and supporting both employers and savers'.

All its regulatory initiatives are temporarily suspended and future plans – including the amalgamation of its codes of practice into a single code – are on hold. The DB funding consultation remains open but the indication is that timings for future stages may change. It is not clear whether TPR's guidance on investments/implementation statements (which was expected shortly) will now be published – see our recent [guide](#) for help with starting to draft your statement.

## Comment

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This is unprecedented guidance from TPR in recognition of a severe and rapidly evolving situation. We have a great deal of experience in supporting schemes and sponsors in situations of corporate distress and restructuring; please contact us if you need additional support or to discuss potential options.

## Contact information

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