The Pensions Regulator is issuing guidance on how employers, trustees and administrators of pension schemes should respond to the COVID-19 pandemic.

The guidance is built on the fundamental premise that trustees, employers and administrators alike must focus on the key risks to pension savers: benefits need to be paid, employer contributions need to be made and members need communication and support.

**Employers**

TPR recognises the strain the COVID-19 outbreak is putting on employers. Where employers are at risk, TPR’s [guidance](https://www.thepensionsregulator.gov.uk/en/covid-19-an-update-for-trustees-employers-and-administrators/guidance-for-db-scheme-trustees-whose-sponsoring-employers-are-in-corporate-distress) urges trustees to engage with them, albeit accepting that information trustees receive *“will not be as robust as it would normally be”*.

There has been an increase in employer requesting contribution deferrals, whether deficit-reduction contributions or total contributions. TPR recognises that this *“may be appropriate”*. While the onus is on the employer to establish the need for such a deferral, the trustees must:

1. Ensure that the support they give is coordinated alongside other stakeholders such as banks and shareholders and they must take appropriate covenant and legal advice;
2. Request relevant information such as business continuity plans, cashflow projections, supplier and creditor information, banking and security arrangements and whether any dividends or distributions are proposed; and
3. Build conditionality in to the agreement with fixed end dates and earlier triggers for re-starting. Any agreement should prevent dividends and distributions during the deferral period unless they are *“extraordinary and essential”*..

**How will TPR regulate during the pandemic**

TPR expects employers to provide DB scheme trustees with regular updates on employer outlook and contingency planning and to use all reasonable endeavours to give trustees the information they need to assess the impact on the employer covenant and the affordability of contributions.

Employers need to be aware that TPR says trustees of DC schemes should consider how individual members might react to falls in markets and their own earnings and note the risk of inappropriate decision-making and scams.

TPR has committed to a *“reasonable, pragmatic and proportionate”* approach to regulation during the pandemic and the regulatory easements announce will be maintained until 30 June 2020.

The automatic enrolment requirements are to be maintained and there is no suggestion that the Government is considering any general relaxation for pension contributions above the AE minimum.

Guidance issued by tPR to date can be found here:

<https://www.thepensionsregulator.gov.uk/en/document-library/statements/covid-19-what-pension-schemes-need-to-consider>,

<https://www.thepensionsregulator.gov.uk/en/covid-19-an-update-for-trustees-employers-and-administrators>,

[DB scheme funding](https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/db-scheme-funding-covid-19-guidance-for-employers) (for employers), and

[scheme funding and investment](https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/db-scheme-funding-and-investment-covid-19-guidance-for-trustees) and [DC investment and transfer values](https://www.thepensionsregulator.gov.uk/en/covid-19-coronavirus-what-you-need-to-consider/dc-investment-and-transfer-values-covid-19-guidance-for-trustees) (for trustees)

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