

Premier Pensions

COVID-19 Administration update

29th May 2020

Ten weeks into the lockdown and we are no clearer on when this lockdown will end. Premier has prepared a back-to-office policy and has set up the office for socially distanced working. Government advice means that we can allow certain employees to work from office, subject to specific guidelines. About a dozen staff are taking advantage of this policy. The rest of the business is carrying on working remotely, with seemingly little impact on productivity.

We do note a few overly aggressive IFA's who chase cases multiple times a day. However, we have educated the administration team on the situation and they are dealing with this as best as they can, balancing the need to keep the IFA's informed, without them becoming a strain on resources. As a business, we are also sensitive about isolated staff. Interestingly, it appears that it is not work-related issues that are of concern, but underlying personal issues that are being amplified by current circumstances. Regardless, we are providing all support possible, as required.

Case volumes appear to have reverted to mean and our administrators appear to be delivering as normal. There do not appear to be any specific trends to report. However, we continue to watch the situation closely. The key appears to be balancing our business-as-usual work with projects as a number of our clients have kicked off a variety of data cleanse, buy-in and GMP Equalisation projects.

Being a short week due to bank holiday Monday, we still managed to get in an hour of Yoga via videoconference, a Personal Training session, Double Bingo and a new social event we called "Through the key hole". This entailed a panel of four being shown photographs of employee's homes and we had to guess whose homes they were.

Inbound / Outbound post

No change. Inbound and outbound post is being processed as normal.

Telephone calls

As the work-from-home arrangements appear to be in place for the foreseeable future, we have begun taking member calls on the main Premier number. We will now be rolling out softphones across the administration team to enable the team to respond to scheme-specific calls as well.

Pensioner payroll

No change. All payrolls are being run as normal.

Work volumes

No change. Case volume is under control. Do let us know if you expect any spikes in work due to activity on the part of the Trustees or Sponsor. We can then ensure that the teams are geared up accordingly.

Cash flow

No change. We are working closely with our clients to ensure adequate cash flow. Cash flow projections are reviewed at least daily and the investment / disinvestment processes are working well within a remote environment. We will continue working with you to ensure that we remain on track.

Projects

No change. Our Projects team is working as normal. Key projects on the go are data cleanse exercises, GMP Equalisation audits and preparation for buy-outs.

Sickness and absence

No change. Given the lockdown, unsurprisingly, we have not had any significant sickness on the team, including suspected COVID-19 cases. We are encouraging administrators to take their annual vacation as normal. They do need downtime to spend time with the family, switching off from work.

Premier impact

No change. We have not put any of our employees on furlough or made any redundancies. We continue to recruit administration staff as we have won two new clients during lockdown. As there is no war for talent at the present time, we have the pick of the crop. It is times like these that we can be thankful that we are privately owned and do not have to please the stock market. We are comfortable with both overall Premier revenue and profitability projections, as well as specifically for the administration team.

Key risks

We note, that there are always risks and the Premier Board and our Administration Leadership team are actively reviewing these and ensuring that we have adequate contingencies in place.

- **Extension of the lockdown:** We are more than comfortable continuing our current work arrangements for the foreseeable future. We have activated our back-to-office plan for employees who have a reasonable request to work from office.
- **COVID-19 second wave:** Potentially, the biggest risk is a lifting of the lockdown causing a second wave of infections. We would rather have our administrators work safely from home, than unwell. Yet another reason not to be in any hurry to trigger back-to-office plans.
- **Changes in Schemes:** We believe that the economic fallout will cause some Sponsors and Trustees to make changes to their benefit structures. Do keep us informed if this becomes a possibility as we will need to plan our resources accordingly and feed into your timelines.

No change

- **Mental health concerns:** No change. We are continuing our focus on our employee's mental health, with consistent messaging and educational modules from a team of psychologists at The Positive Group who have given us access to an online course "Managing Your Mind". We are running daily all-employee social events via Zoom, such as yoga, cardio workouts, cooking sessions, bingo and pub quizzes. Engagement and productivity appears high so far.
- **Financial Education:** No change. Trustees are concerned about members being made redundant, put on furlough and members reaching retirement. We are discussing options of sending out targeted communication or even offering IFA support to these members. Do speak to your Client Relationship Manager if this is of interest.
- **Transfers & Scams:** No change. The Pension Regulator and the FCA are concerned about a spike in Transfer and Transfer-related scams. We are not seeing any increased activity as yet in this area. We already have stringent processes in relation to Transfers & Scams and we will continue to keep this under review. We have added the Regulator's letter warning members about scam to our usual Transfer pack.
- **AVC providers:** No change. We understand that some Third Party Administrators have had issues getting information from AVC providers over the last couple of months. We have not experienced any critical delays. We will need to manage member expectations if we face any issues and will raise any issues with you as Trustees, when appropriate.

Do speak to your Client Relationship Manager if you would like to discuss any of this, if you have any concerns about our strategy or believe that we have missed opportunities or risks. Stay safe and we do hope that you and your families are doing well.

Kind regards,

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Further guidance:

The Pension Regulator: <https://bit.ly/3dRuZJP>

The Pensions Ombudsman: <https://bit.ly/2UCxKqJ>

The Pensions Administration Standards Association: <https://bit.ly/2waXp0p>