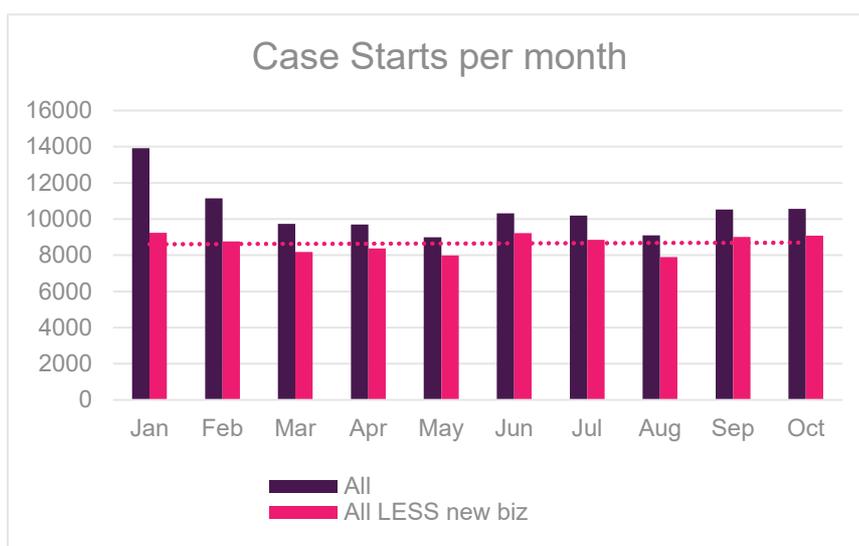


Premier Pensions COVID-19 Administration update

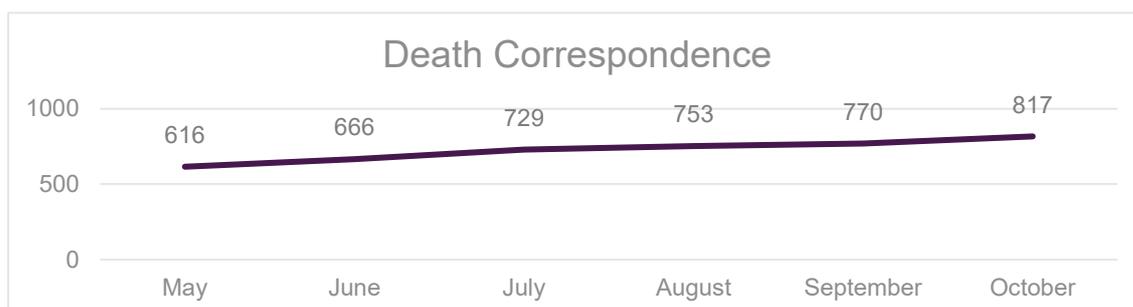
2nd November 2020

The Government has announced its intention of following Europe into lockdown, subject to a vote on Thursday. This is expected to last for at least four weeks, but could extend regionally, depending on local infection rates. We will review the detailed Government guidance, expected on Wednesday, to map against our current operations in case we need to adjust any working practices. Nothing announced so far indicates that this is likely. We are in a fortunate enough position not to be overly concerned about the tightening of restrictions as most of our employees are quite comfortable working from home. The small group who work in the office generally walk, cycle or drive to work and have adequate space and safety precautions to keep them safe. Our view continues to be that we are comfortable with our employees working safely from home and delivering against your member's requirements. There is a perception that members are getting increasingly nervous and on edge and our administrators are attempting to take a more proactive approach to informing members about the status of their cases.

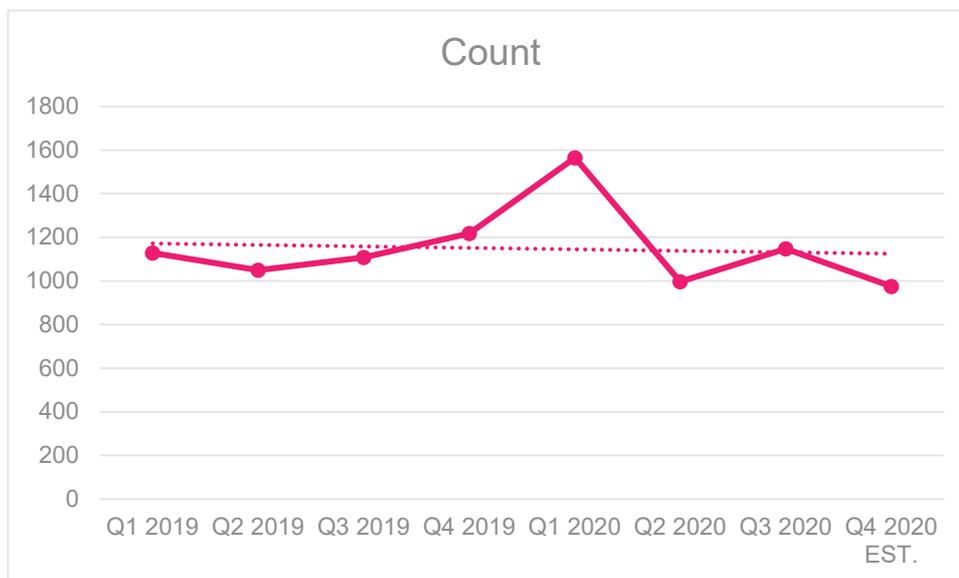
Case volumes continue to be flat in October, apart from the normal statistical differentials.



The only case type with statistically unusual activity is Death Correspondence, which is steadily increasing month on month.



We are continuing to track transfer activity for any hint of a spike in scams. The Pensions Regulator and FCA continue to raise this as a concern. If anything, transfer settlements appear to be on a downward trend, though the average value of transfers has increased.



Two developments in the area of Transfers. The recent *Lees v Lloyds Bank plc* case makes interesting reading, in that it could limit the quantum of information we need to share on the back of a Subject Access Request and this will protect Trustees, their Advisors and their Administrators from fishing expeditions by ‘ambulance chasers’ who are exploring Transfer activity as the next PPI. The other is that the Pension Scams Industry Group has suggested that an amendment restricting the statutory right to a transfer is to be tabled to the Pension Schemes Bill in an attempt to combat pension scams. However, this may also place additional responsibility on Trustees to review Transfer activity and / or provide financial advice.

In other news, the Pensions Minister has unveiled plans to require schemes to transition to simplified annual pension statements. Premier embraced this concept two years ago and have rolled out paper and online benefit statements based on this template. However, we view the industry template as requiring improvement as it achieves a two page limit by using small type and including links to information held within associated documents. We look forward to participating in the consultation to table our views.

The Premier employee event calendar is packed with Yoga, online Personal Trainer sessions, ‘Desert Island Discs’, Premier Junior Bingo for the children and Premier ‘Who Wants to Be a Millionaire’ for the adults.

As noted last month, we are planning a Premier Challenge later on this year in support of Papyrus, a suicide prevention charity for youth, and MIND. We are hoping to involve clients as well.

Inbound / Outbound post

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

Telephone calls

No change. Softphones and headsets have been rolled out across the administration team to enable the team to respond to member calls. We encourage members to contact us via our member web or email, as this will always be the most efficient process.

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:** No change. We are more than comfortable continuing our current work arrangements for the foreseeable future. For some time, we have had in place our back-to-office plan for employees who have a reasonable request to work from the office.
- **COVID-19 second wave:** No change. We already appear to be at the beginning of a second wave. We would rather have our administrators work safely from home, than unwell. Yet another reason not to be in any hurry to trigger any further back-to-office plans.
- **Changes in Schemes:** No change. 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.
- **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". Our social events continue with events for employees, their partners and children. Another Premier Challenge will follow shortly and we would appreciate your support.
- **Financial Education:** No change. Trustees are concerned about members being made redundant, put on furlough and members reaching retirement. As mentioned earlier we will be launching Financial Guidance as part of our core pension administration service and can offer

Financial Advice at corporate rates. Do speak to your Client Relationship Manager if this is of interest.

- **Transfers & Scams:** No change. The Pensions Regulator and the FCA are concerned about a spike in Transfer and Transfer-related scams. We are not seeing any increased activity as yet, though we are seeing a steady increase in average value. Trustees may wish to add the option of retirement / Transfer advice as part of the service, even if this has to be paid for by the member.
- **AVC providers:** No change. We understand that some Third Party Administrators have had issues getting information from AVC providers over the lock down. We have found all insurers exceptionally slow over the period and have had to manage member expectations, as 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,

Girish Menezes

Head of Administration

Email: girish.menezes@premiercompanies.co.uk

Further guidance:

The Pensions Regulator: <https://bit.ly/2Zf5trz>

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

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