

We would like to emphasise some key considerations for trustees and corporate sponsors of pension schemes who are setting up emergency measures related to the outbreak of the coronavirus disease 2019 (COVID-19).

Corporate sponsors who are implementing business continuity plans should consider how their pensions arrangements will be supported, including the timely and accurate payment of pension contributions to avoid regulatory breaches. The absence of staff with pensions responsibilities, the handling of employee/member questions, the availability of corporate personnel who are key pensions decision makers, and communications with trustees and service providers should also be factored into this plan.

Trustees should be aware of any emergency business measures implemented by the corporate sponsor and how it might impact the running of the pension scheme. To the extent that this has not already been addressed, trustees should consider the issues set out in our [blog](#) regarding paying pensions on time, meeting service standards (including contingency measures implemented by service providers), the effect on holding meetings and making valid decisions (and the provisions in scheme documents). Cyber criminals may see COVID-19 as an opportunity – so please make sure that processes are in place for dealing with this and other risk management issues.

Trustees should also consider any impact on the company covenant, any related impact on funding and investment arrangements, and any appropriate contingency planning; again, see our [blog](#) for further comments. The Pensions Regulator (TPR) has issued a [statement](#) for trustees, also referring to business continuity planning and effective integrated risk management.

Whilst neither TPR nor the Information Commissioner's Office (ICO) has expressly said that they will relax reporting deadlines (e.g. for notifiable events or data breaches), we would expect them to adjust their expectations of what is a reasonable timeframe. The ICO has [said](#), "We understand that resources, whether they are finances or people, might be diverted away from usual compliance or information governance work. We won't penalise organisations that we know need to prioritise other areas or adapt their usual approach during this extraordinary period."

We have received some questions around *force majeure* contract provisions, which may exclude liability of one or more parties for events beyond their reasonable control, and may provide a defence for failures to satisfy the terms of the contract or lead to the option to terminate the contract. Our [blog](#) on *force majeure* in commercial contracts contains more information. Such provisions may allow the trustees or the service provider to terminate, for example, an investment or administration contract. If unhappy with service levels but not wishing to terminate the contract, such provisions could complicate discussions with the provider about improvements or compensation for poor performance. At this stage, we hope that any interruptions to pensions services would be short term and would be covered, to the extent possible, by contingency plans. However, if any trustees need advice on this area (as part of contingency planning, or because such provisions may be invoked), please contact us for urgent legal advice.

We have set up a special COVID-19 [webpage](#) containing help and information for businesses on the legal, regulatory and commercial implications.

Please contact your usual member of our Pensions team for further information.

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