DAC BEACHCROFT

Signpost: Pensions JUNE 2019

Pensions Regulator: DB Scheme Funding Analysis 2019 published. This analysis, for defined benefit (DB) and hybrid schemes is based on tranche twelve schemes which have an effective valuation date from 22 September 2016 to 21 September 2017. 23% were in surplus on a technical provisions funding basis and due mainly to sponsor contributions and positive gains on investments, had seen an improvement in asset positions. However, there had also been a growth in liabilities due to lower investment return assumptions, essentially resulting in an unchanged average funding ratio on a technical provisions basis. The average recovery plans' length was 7.3 years. Those schemes which reported liabilities in respect of active memberships, were without a contingent asset, had stronger covenants and had shorter recovery plans tended to have a higher ratio of assets to technical provisions.

DB schemes: Aon's survey on challenges once DB schemes fully funded. The survey of over 800 DB schemes indicated they were either fully funded or are on track to being fully funded and asked what their challenges would be on reaching full funding. Responses included shifting their long term funding target or showing an increasing surplus, both of which have drawbacks according to Aon's statement. Over half of respondents thought partial dividends could be issued gradually when there was no technical provisions deficit. In addition, over three quarters of respondents would rather de-risk and choose investments with a lower target return when a scheme is fully funded.

DB schemes: FCA concerned about the DB pensions advisory market. A Financial Conduct Authority (FCA) survey found that 234,951 members had received advice on transferring their DB benefits with 162,047 members having been recommended to transfer and 72,094 not. The FCA has repeatedly made clear its expectation of financial advisers as well as strengthening rules relating to pension transfer advice. It has started visiting the most active firms in the market in order to complete full assessments of the firms' approach to such advice, focussing on business models and processes that could give rise to harm. It will also be contacting any firms where it has identified in the data the potential for harm setting out its expectations and actions that should be taken. The FCA is considering taking in a wider range of firms in its 2020 assessments.

Pensions Regulator: DC investment governance guide. This accompanies the defined contribution (DC) Code of Practice and has been updated to include new requirements (contained in two sets of regulations) in relation to pension schemes' statement of investment principles and disclosure of information (certain components to apply from October 2019 and others from October 2020), as well providing greater clarity by what is meant by financial material considerations and stewardship. There is also a section on the preparation of implementation statements.

Pensions Regulator: trustees to review their DC default arrangements. The Regulator has contacted 500 DC scheme trustees, asking them to complete an online declaration form to confirm they have reviewed their default arrangements and that these are still suitable. Under the 2015 Charges and Governance Regulations, trustees must review their scheme's default strategy and performance of funds every three years as a minimum or where a change is made in their scheme's investment policy or membership. The Regulator has stated it will help guide trustees through the requirements they must comply with in the event they haven't reviewed their default strategy before.

HMRC: newsletter provides GMP equalisation update. Of interest in the newsletter are comments concerning the HMRC GMP equalisation working group which has met twice to consider the tax issues arising from GMP equalisation. It is currently focusing on "what certainty can be delivered within the existing legislation and supported by guidance where appropriate", noting not all of the complex issues will be resolved by using existing legislation. It stated it was making good progress in exploring a number of approaches and wishes to ensure these avoid potential unintended tax consequences but updated guidance will not be provided before autumn.

Legislation: Regulations implementing aspects of Shareholder Rights Directive II. On 6 June 2019 regulations implementing aspects of the Directive as they relate to workplace pension schemes were laid before Parliament as the UK was required to transpose these requirements into domestic law by 10 June 2019. The Directive aims to encourage long-term shareholder engagement, transparency between traded companies and investors as well as effective stewardship. The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 amend current requirements regarding pension schemes' statements of investment principles and the disclosure of information. DC and DB schemes are required to explain policies which include: (i) the details of their arrangements with asset managers (i.e. disclosing the duration of the arrangement, explaining how they incentivise the asset manager to align its investment strategies and decisions with the trustees' wider investment policy along with providing clarity on how trustees monitor portfolio turnover costs incurred by the asset manager); and (ii) how the capital structure of companies in which they are invested are monitored, and the management of actual or potential conflicts of interest on the part of such companies.

CMA: Consultancy and Fiduciary Management Market Order. On 10 June 2019 the Competition and Markets Authority (CMA) announced that it had made the Investment Consultancy and Fiduciary Management Market Investigation Order 2019 which implements the CMA's remedies package (following the market investigation into the investment consultants and fiduciary management market). The CMA Order was consulted on in February 2019 and requires fiduciary managers and investment consultants to provide clearer information about their services and incentivises pension scheme trustees to shop around for service management. The Order also requires pension trustees who plan to delegate investment decisions over more than 20% of trust assets to run competitive tenders which must be run either when first purchasing fiduciary management services or within five years. The CMA has revised the requirement for trustees to use "best endeavours" to obtain three bids for the provision of fiduciary management services by changing the requirement to "reasonable endeavours" and noted the Pension Regulator will consult on further guidance.

Association of British Insurers, DWP and Pensions Regulator: pensions dashboard. These bodies discussed how to progress the pensions dashboard and how it could be made as a tool to benefit as many people as possible, but with the recognition that it "may not please everyone". The aim was to be consistent, secure and user friendly. This will also be a good example of digitalising data in the pensions industry but there is still further work that needs to happen to engage with the delivery groups to ensure that any improvements needed to be made, are made.

PLSA: statement published to help savers understand their pensions. The Pensions and Lifetime Savings Association has published the 'Simpler Annual Statement' to help savers at every level of pensions knowledge to compare their pensions and understand better retirement saving. It has been working with the government and its members' pension schemes on the non-commercial pensions dashboard delivery, and reminding of the need for up-to-date data so the dashboard(s) provide "an easy-to-access online view of a saver's pension."

HMRC: appeal withdrawn in the "mistakenly" exceeding lifetime allowance case. The individual who was a member of four pension schemes, had accidentally exceeded his lifetime allowance having originally notified HMRC of his intention to rely on fixed protection in 2012. He had failed to appreciate that he was required to stop making contributions into the schemes and HMRC upon discovery revoked the fixed protection deeming the ongoing contributions "benefit accrual" under the fixed protection legislation. However, in November 2018, the First-tier Tribunal upheld the member's appeal and held that where a taxpayer who had been granted a fixed protection certificate made a mistake on the tax consequences of continuing to make payments into a registered pension scheme, he would be granted the remedy of rescission of the payments if he were to take his case to the High Court. HMRC has now withdrawn its appeal in this case. This means anyone who has genuinely mistakenly breached fixed protection by contributing into a pension and suffered a tax charge in consequence, should go back to HMRC to have this reviewed.

Supreme Court: government refused permission to appeal in judges' and firefighters' pension discrimination case. The Court refused permission to appeal (on the basis the application raised no arguable point of law) against the Court of Appeal's decision which had found in favour of the disadvantaged judges and firefighters on the grounds of discrimination in relation to changes made to their respective pension schemes. The government had sought to appeal having provisionally estimated that the judgment could cost it approximately £4 billon per annum.

High Court: Brexit investment loss. The High Court has allowed an appeal against a decision from the Pensions Ombudsman which involved the member incurring investment losses due to the administrator's delay in making a transfer payment from his small self-administered scheme (SSAS) to the new scheme. The member was hoping to invest in the stock market immediately following the Brexit referendum results. The Pensions Ombudsman had wrongly used tests relating to foreseeability and measurability of loss. £2000 has been awarded for distress and inconvenience as well as the recognition that this case involved maladministration, albeit no award for made for the latter.

Court of Appeal: Upper Tribunal Box Clever decision upheld. The Court of Appeal dismissed an appeal against the decision of the Upper Tribunal (Tax and Chancery Chamber) that it had jurisdiction and it was reasonable for the Regulator to issue a financial support direction (FSD), holding that the FSD legislation contained no express time limits and was "neutral" as to the relevant and admissible factors as part of the Regulator's decision on whether to issue an FSD, the targets were associated with the relevant employers, and the conclusion of the Tribunal that the factors for an FSD clearly outweighed the targets' position on retrospectivity involved "no error of law".

Pensions Ombudsman: employer directed to freshly decide on whether to grant enhanced ill health early retirement pension. The DPO upheld a complaint by deferred member whose application for an enhanced ill health retirement pension was refused and awarded £1,000 for the serious distress and inconvenience caused. The DPO held that the employer had not applied the correct criteria and needed to consider the impact of the member's reduced life expectancy on the cost of the scheme of paying the enhanced pension and accordingly needed to make a fresh decision, taking this into account. In addition, there had been a conflict as the employer's Head of Pensions also acted as secretary to the trustees of the scheme and the DPO found the dual role affected the decision-making process contributing to a lack of procedural clarity. The DPO also found maladministration existed as the Head of Pensions had advised the member that if she took her standard ill health pension before the IDRP had been completed, she risked it not being able to be enhanced subsequently. The DPO said the new decision was to be communicated to the member with reference to the medical and actuarial evidence and directed the company to pay the member a lump sum plus interest equal to the outstanding instalments of her pension and pay the relevant scheme any enhancement costs in the event it decided to grant an enhanced pension.

Pensions Regulator: revised DB funding framework to be consulted on over summer. As originally outlined in the DWP's "White Paper", the Regulator has confirmed that it will be consulting on a revised framework for the funding of DB schemes. It is recognised that trustees will need to take a long-term view where managing their funding and investment strategies, and the concept of a long-term objective (LTO) will be at the heart of the Regulator's revised code of practice. There will be two consultations. The first will be this summer on (i) options for a clearer DB funding framework, including what it sees as a suitable LTO (for closed schemes this will include how trustees can reduce their reliance on the employer covenant over time in an effort to reach a position of low dependency when the scheme is significantly mature); (ii) a range of solutions for open schemes taking into account that these shouldn't unduly increase the cost of future accruals and lead to further scheme closures; (iii) clearer guidelines on acceptable lengths of recovery plans for different covenant strengths and how these could work in practice (and notes that it will seek views on whether stronger employers should be required to fund technical provisions deficits in a shorter period); and (iv) proposals of how trustees could demonstrate whether the risks in their investment strategy is supported, e.g. through a simple stress test. The second consultation on the draft DB funding code will be next year once there is more clarity on the intended primary and secondary legislation.

Pensions Regulator: trustee board lacked competence so need for an independent board. In the first time that this power has been used, the Pensions Regulator appointed an independent trustee with exclusive powers to a DC scheme based in Northern Ireland. This was due to a lack of competence with the trustees "consistently failing to show they had the skill to do the job properly. Trustees who are not committed to their duties should consider whether its right that they continue in their position of being responsible for governing a pension scheme."

Pensions Regulator: quarterly compliance and enforcement bulletin from first quarter of 2019. The Regulator's latest bulletin increases the use of its frontline regulatory powers in several significant areas over the first quarter of 2019. In addition with the expectations set out in its annual funding statement for 2019, the Regulator says during this quarter its supervision team succeeded in encouraging several employers to increase their deficit repair contributions (DRCs) and decrease the length of their schemes' recovery plans. For example, one scheme was able to reduce the length of its recovery plan from thirteen to seven (saving a total of six years).

Pensions Regulator: latest corporate plan promises "new regulatory initiatives" to improve member outcomes. In its latest corporate plan, covering the period 2019 to 2022, the Regulator sets out its commitment to improving "the participation, accountability, protection and confidence in occupational pension schemes". This plan confirms the Regulator's intentions for this period, including new regulatory initiatives aimed at increasing its engagement with schemes. This will include further communications intended to clarify trustees' duties and the Regulator's expectations around those. This plan also ties together the FCA's initiatives with the FCA launching a joint review of "consumer pensions journey" which will examine how the information disclosed by schemes and its providers interacts with the guidance and advice service available to savers. Furthermore, there will be the closer integration of work with the FCA and the Money and Pensions Service (MAPS) on informing members of the risks involved in DB to DC transfers and the available options. Such a move reinforces the increased supervision and regulation of corporate matters affecting schemes and the employer covenant. The Regulator will be contacting "more than a thousand" schemes this year to monitor the treatment of scheme members in relation to issues such as shareholder dividend payments, the length of recovery plans and efficient record-keeping. The message therefore is that corporate plans will take action "where standards are not met".

Pensions Regulator: action plan published for implementing changes outlined in Rookes review. This action plan discusses the approach to implementing the legislative changes to DB schemes following the Rookes review of how trustees handled matters in relation to the British Steel Pension Scheme. The Regulator confirms that it will consider with the DWP whether trustees of DB schemes should have a duty to communicate effectively with members. It will discuss introducing legislative changes to simplify the choices available to members in the event of restructuring, as well as granting the Regulator a power to delay or stop consultation. In addition, the Regulator, the FCA and the MAPS will meet quarterly to share information on issues and pressures.

Pensions Regulator: DWP tailored review proposes conferring rule-making ability. On 16 May 2019 the DWP published its tailored review of the Pensions Regulator and concluded the Regulator's current form remains the most appropriate for its functions as well as rejecting the notion of a merger with the FCA, given the differences in basic purposes. Similarly it rejected the idea of merging with the PPF and the Pensions Ombudsman to form a single larger pensions body, which again was felt not to be conducive in providing meaningful benefits and feasibility. The review did make 16 specific recommendations relating to topics such as the Regulator's form and functions, operational and organisational effectiveness, governance, relationship with the DWP, and preparations for Brexit including doing more to support its regulated community in preparing for a departure from Europe. Alongside this, a key point was that the DWP ought to consider the benefits of extending the Regulator's powers to enable it to make its own rules in specific circumstances. By doing this, it would also put the Regulator on more equal footing with the FCA in terms of available powers. Any rules promulgated by the Regulator would be subject ministerial oversight and industry input.

Pensions Regulator: regulatory intervention report published. The Regulator's section 89 report relates to the failures of the Oxfordshire County Council Pension Fund (an LGPS fund) to issue annual benefit statements to its members (public sector schemes are generally required to provide these to active members within five months of the end of the scheme year). The Regulator took action after a breach of law report by the scheme manager in September 2015 informed the Regulator that no benefit schemes had been issued to active members in 2014/15 (due to poor data and the failure of the fund's employers to provide accurate data and employment histories). Although the scheme manager implemented a data improvement plan, as a result of slow progress, in May 2018 the Regulator sent the scheme manager a warning notice stating that it intended to issue an improvement notice requiring it to keep to the terms of the data improvement plan, which it then issued that August. Failure to comply with an improvement notice can result in a monetary penalty of up to £5,000 for individuals and £50,000 for other entities, per breach. The report indicates that over 99% of annual benefit statements were issued for 2017/18 and also sets out the Regulator's approach in these type of situations, namely that the Regulator expects scheme managers to put in place measurable and timely data improvement plans and appropriate controls to manage employers who do not fulfil their scheme obligations.

High Court: duties of a pension trustee to the scheme's employer. A claim was brought by KeyMed against its former directors with allegations that they had acted against the company's interests by (among other things) the setting up of an executive pension scheme of which they were trustees and then using their powers as trustees to maximise their own benefits by disapplying Inland Revenue limits on benefits, providing benefits for spouses and following a highly conservative investment and funding policy. KeyMed's claims against the directors, for various breaches of company director's duties and for conspiracy, were unsuccessful. A key issue was what was the duty of the directors as employers of the scheme. The judgment suggests that the "primary purpose" of the trustee must be to serve the payment of member benefits. The judgment also suggests that the trustees merely have to take account of the employer's interest, rather than there being a mandatory duty to do so. Further, it would be lawful for a trustee to have regard to the employer's interest if this does not conflict with that of the beneficiaries. The judgment appears to be at odds with the 2018 Court of Appeal judgment in *British Airways v Airways Pensions Scheme* where a more "balancing all interests" view was taken. Therefore, KeyMed can be seen as taking a more restrictive approach than previous cases on employers' interests although it might be treated as confined to the specific facts, namely, decisions about setting investment and funding strategies for the scheme.

Court of Appeal: retrospective pension increase validation powers to be validly exercised and introduced. In a decision which appears to represent a step away from the relatively liberal approach to formalities and in a move towards a more legalistic interpretation, the Court of Appeal has allowed an appeal by the principal employer of a DB pension scheme against a High Court decision that non-statutory annual increases to pensions in payment, introduced by the trustees to reduce a surplus, were indeed valid. The High Court judge had been willing to find that the formalities set out in in the deed and rules regarding the exercise of the power of amendment through a resolution (in writing) had been met in the form of the 1991 trustee minutes, despite the fact the text of necessary amendments had only been signed by one out of the three trustees. The Court of Appeal decision highlights the importance of ensuring that pension scheme trust deeds, the recitals, other explanatory wording and other formal documents do contain clear wording on what is intended to be achieved in practice. Importantly, trustees should in future have a special focus on ensuring that a deed's recitals and operative provisions accurately summarise their understanding of the factual matrix underlying the scheme, why particular steps are being taken as well as a clear expressing of intentions.

HMRC: data delay preventing payment of GMP benefits. HMRC has stated that it is delaying issuing data relating to contribution payments mistakenly made by people who had contracted out of the state pension resulting in some members being over or underpaid (GMP reconciliation data) as it needs more time to check through its records and therefore they now expect to start issuing the final pension data sets in mid-November (compared with the originally announced March 2019). The result is that this will delay GMP payments given this GMP reconciliation data will be needed for pension schemes to start equalising pension benefits and is therefore likely to affect pension schemes dealing with buy-ins given the increasing costs and complexity.

PPF: warning that superfunds could be a serious risk for the PPF unless they are strongly regulated. The PPF's chief executive has warned that superfunds need significant regulation given the PPF would be responsible for covering the superfunds if they fail. Oliver Morley stated that large DB superfunds needed a strong regulatory environment and a strong covenant and that "the most important thing is there is regulation and that the regulator can obviously use it successfully to ensure that consolidators do behave in the way that will help the market rather than hinder it". The government is currently considering responses to its consultation on DB consolidation which ran from 7 December 2018 to 1 February 2019.

Financial Reporting Council: amendments to the reporting standard for multi-employer DB schemes. On 24 May 2019, the Council published amendments to Section 28 (Employee Benefits) of FRS 102 (which is the reporting standard applicable in the UK and the Republic of Ireland). This sets out detailed requirements for the presentation of an entity's transition from DC accounting to DB accounting for a multi-employer DB plan when there is sufficient information to apply DB accounting principles. The accounting changes put forward are very similar to those consulted on in January 2019 and essentially outline the differences between any liability for the contributions payable arising from agreements to fund a deficit and the net DB liability. The accounting period amendments will begin on or after 1 January 2020 with earlier applications permissible if necessary.

Lane Clark & Peacock: report shows FTSE 100 companies paying larger dividends as opposed to pension contributions. Lane Clark & Peacock's 'accounting for pensions' report has shown that the FTSE 100 companies, despite the Regulator's increasing pressure to tackle this imbalance, have paid seven times more in shareholder dividends (£90bn) than in DB pension contributions (£13bn) in 2018. Further, the report also found that on average FTSE 100 companies provided CEO's with pension contributions worth 25% of basic pay despite recent pressure to align pension contributions for workforces. Finally, this report concluded the average estimation cost of GMP equalisation was 0.4% of liabilities or a total of £1.3bn in total (a lower figure than forecast in the *Lloyds* judgment).

Pensions Ombudsman: trustee liability for breach of trust. Two directors were directed to pay £2.4million to a pension scheme after finding the trustees jointly and severally liable for the scheme's losses following breaches of their investment duties. Upholding 14 scheme members' complaints, the Ombudsman held that the trustees had breached both their statutory investment duties and their duties under trust law as they had invested in over £1.3 million of the scheme's funds in an arrangement with a Swiss investment manager which proved to be a bad investment as the value had become £106,000 with the loss including £260,000 in finance costs, £100,000 in prime broker fees and £740,000 in commission payments. The Ombudsman held that the trustees had failed to obtain proper advice before entering into the asset management agreement and had not considered the need for diversification. Their duty of care and skill under trust law was also remiss. Due to the trustees not properly delegating their power of investment as well as not being able to rely on the scheme's exoneration clause, it meant they remained on the hook for the losses caused and the protections available under section 61 Trustee Act 1925 were also unavailable due to their actions. The Ombudsman held the trustees were jointly and severally liable for the losses caused by the scheme's investment and were ordered to pay the scheme approximately £2.4 million and were also ordered to pay £5,000 to each of the 14 complainants for the "exceptional level" of distress and inconvenience suffered over a prolonged period of time.

Legislation: Pension Charges Bill 2017 – 2019. On 8 May 2019 the Pensions Charges Bill 2017 – 2019 (a private member's bill) received its first reading in the House of Commons. The purpose is to require pension providers to publish standardised information on charges for pension products and to make provision for a cap on such charges during both the accumulation and decumulation stages. By calling for a mandatory cost disclosure framework that defines how to calculate costs and charges, it is hoped that it will be more easier for consumers to compare the differences.

FCA: launching CTI templates for disclosure of costs and charges to institutional investors. On the 22 May 2019, the FCA published a statement welcoming the launch by the Cost Transparency Initiative (CTI) of finalised and industry-ready templates for the disclosure of costs and charges to institutional investors. In addition to the templates, there is guidance for pension schemes and their advisors on how to make use of client information, and for asset managers on how to provide cost information to their clients. Additionally, the FCA explains that the templates can be used for institutional investors to access and assess critical information on costs. By doing so, this gives clear expectations for standardised disclosure and allows a comparison of charges to be made. Nonetheless, the FCA notes that CTI has not focused its efforts on compliance with the MiFID II Directive but will be aligned with relevant disclosure obligations, where appropriate.

LGPS: consultation on changes allowing greater flexibility of pension liabilities for departing employers and to fund valuations. The Ministry of Housing, Communities & Local Government has published a consultation on 'Changes to the Local Valuation Cycle and the Management of Employer Risk' in relation to the Local Government Pension Scheme (LGPS) which would amend the 2013 Regulations. One change includes introducing a flexibility for exiting employers via two alternative means: (1) being a 'deferred employer' meaning that funds are able to defer the triggering of an exit payment for employers with a sufficiently strong covenant; or (2) allowing the flexible recovery of an exit payment (calculated on a full buy-out basis) over a time period perhaps in circumstances where the administering authority does not consider that granting 'deemed employer' status would be appropriate (the concept of a deemed employer forms part of the proposal to extend Fair Deal to the LGPS). Another proposal would align the local fund valuation cycle with the LGPS scheme valuation i.e. to a four year cycle, but allow LGPS funds to undertake interim valuations if there is a need to act between valuations, and LGPS administering authorities would have the power to amend an employer's contribution rate in between valuations (i.e. following a covenant check or where liabilities are estimated to have significantly reduced). A further change looks to remove the requirement for further education, sixth form college and higher education corporations in England to offer new employees access to the LGPS. The closing date for responses is 31 July 2019.

NHS pensions: Government consultations on "50/50 option" and BMA encouraged by the Chancellor's statement. In a proposed "50/50 option", employees could reduce pension contributions by 50% while employer contributions would remain at 100%. The effect of this would be that there would be half the rate of pension growth albeit offering employees a higher degree of flexibility but arguably, wider reform is needed for doctors and others working in the NHS around pension savings and tax charges. In the private sector schemes, individuals are able to swap contributions for increases in pay. Furthermore, The British Medical Association (BMA) has responded to Chancellor Philip Hammond's statement with some "immediate mitigations" where greater flexibility to remuneration packages could be made. The BMA did recognise the changes to the tax regime and that pensions legislation would inevitably take time and therefore in the interim proposed a policy permitting the "recycling" of employers' pension contributions and the introduction of a UK-wide scheme enabling NHS staff to retain or purchase death benefits. The Chancellor stated the need to find a solution that would stop highly paid consultants retiring earlier or working part-time in response to annual allowance charges on their pension contributions.

High Court: Ombudsman did not have jurisdiction to consider questions not raised in initial complaint. In this appeal against an Ombudsman's determination about a member's LGPS pension and the level of increases which should be applied to that pension, the Court held the Ombudsman, when determining the complaint that the local authority had incorrectly withheld interest on arrears of annual pension payable to the member who had worked past his normal retirement date, had lacked jurisdiction to determine both the member's date of retirement. From. Further, the first pension benefit payment was due on the basis that these questions had not been raised in the original complaint and couldn't be included in the determination.

Pensions Ombudsman: incorrect benefit quotations which lead to the member taking their pension early. Here, the DPO upheld a complaint by a deferred member of a DB plan who was incorrectly informed of the benefits he would be entitled to receive on taking early retirement. The member was concerned about breaching the lifetime allowance and chose to opt out of the plan to prevent future accrual. The first set of quotations were incorrectly calculated and applied an annual reduction on the terms available to active members and not deferred members so the member received a second set of quotations, recalculated from the day the member opted out of retirement.

The member argued that his benefits should have been re-calculated on the basis that applied to active members and claimed significant losses as a result of being able to accept the initial quote. The DPO held that there was no duty on the plan's administrator or the trustees to advise the member on the implications of taking benefits early as all relevant information was readily available, DPO but did recognise that the administrator had made serious administrative errors and agreed to £2,000 in compensation for the serious non-financial injustice caused to the member.

For further information, contact Neil Bhan, Partner at nbhan@dacbeachcroft.com