

COVID-19 Workplace FAQs

Business continuity & resilience

Q. Do you have a Business Continuity Plan in place?

We have specific continuity plans in place. Led by our senior leadership team, we are using our established business continuity framework to manage our response. This includes remote working capabilities. We will make all efforts to continue to provide a responsive service and have asked members to use digital and secure message services if they can, to keep our phone lines available for customers that need our telephony service the most. We continue to work closely with our strategic partners, including Standard Life Aberdeen, to ensure their arrangements are aligned. Our priority continues to be keeping our employees safe, whilst ensuring continuity of service for members, clients and their advisers.

Early on we implemented a number of steps in response to official information including the introduction of social distancing and enabling home working for employees at higher risk due to COVID-19. Our response has aligned with the Government's advice and our latest position is that we have asked all employees to work from home other than a small group of key workers who remain in our Edinburgh office to deliver critical services to members that cannot be carried out from home. This small population of people has been spread across the office to ensure they are socially distanced and we have implemented a number of changes around areas, such as parking, with our aim to keep them as safe as possible. We continue to provide our employees with clear guidance on the action to take, in addition to well-being support through regular updates and initiatives.

Q. Please can you confirm if all cyber security controls in place for office work, are also in place from a remote working perspective?

Yes, all cyber security controls in place for office work, are also in place from a remote working perspective.

Where required, employees have been provided with company devices to enable homeworking, or use personal devices to allow our network to be securely accessed remotely. All remote access to our network is subject to two factor authentication. The ability to download or print data locally, through the remote session, or use of removable media, is disabled by default.

Our Confidentiality, Data Protection and Electronic Communications section within our Terms and Conditions of Employment covers information protection. Guidelines are provided to employees on homeworking including regular updates to all employees during this enforced period.

Support for members

Q. Has there been any impact on your service levels to members?

For members, we have done our utmost to continue to deliver our services during these strained times. With our customer service teams now working from home and continuing to answer enquiries, we are providing a close to normal level of service and continue to see a very positive response, with the vast majority of our customers rating our service 'good' or 'excellent'.

Q. What are you doing to support members at this time?

We have developed a [COVID-19 support page](#) which contains more information to support members with the specific questions they may have. This covers those members who may be currently saving into a workplace scheme, thinking about accessing their money soon and those currently taking an income. Members identifying as vulnerable customers can also find information here. Links to this site have been posted on our relevant pension scheme website, member online dashboards and mobile app. Our CEO Susan McInnes wrote to scheme members recently to provide reassurance in light of market volatility and point members to this support page. This site will be updated as the situation evolves.

We have implemented a number of activities to support members; some examples are:

- 'Stop and think' wording implemented for key transactions across all contact channels encouraging members not to rush into decisions
- Established a Vulnerable Customer Response Group to formulate appropriate plans in light of COVID-19 such as prioritising demand from members identifying as vulnerable – we are in regular contact with the ABI Working Group for Vulnerable Customers, of which the Group is a member, to learn and share how we are responding to this crisis
- Creation of [COVID-19 MoneyPlus articles](#) supporting different life-stage segments that members can receive via email
- Annual benefit statements now include wording and an insert regarding market volatility, financial assistance and composure, tailored depending on the member's life-stage
- Implementing inserts with retirement regulatory wake up letters with volatility messaging, guidance support and links to MAS and TPAS

- Social media campaign covering:
 - Facebook
 - LinkedIn
 - Twitter

We will continue to assess our presence across social media during these unprecedented times.

To ensure we continue to respond quickly, our Member Outcomes Governance Committee regularly meet and are using experience, data and insights to agree any changes to how we communicate and engage with members. This includes any rapid response required to change processes, increase proactive communications and ensuring our people can continue to support critical processes.

Q. Are you doing anything to deal with the increased risk of phishing/scams?

COVID-19 is creating an environment where financial scams can thrive and, as always, we want to help members keep their money safe and secure.

In addition to our normal pension scam awareness wording on our literature and websites, and our existing identity check and due diligence processes, we've added wording to our COVID-19 page on our website, reminding members to take extra care online. We're also highlighting that we would never call or e-mail them and ask for security details, and we'll be enclosing information on this with annual benefit statements.

We're also making changes to our phone and digital warnings to give members some more context around scams and urge them to stop and think before rushing into anything.

We're recommending members check any company that they are approached by on the [FCA's ScamSmart website](#) before committing to anything.

We will continue to keep up to date with the latest tactics being used by the scammers and ensure we raise awareness with members. Our colleague Tommy Burns is Deputy Chair of the Pensions Scam Industry Group, which is playing an important role in the fight against the scams.

You can also order our Ready to go **scam smart campaign** material to share with your members to help them protect their savings by sharing tips on spotting the warning signs and avoiding investment fraud.

Paying contributions and AE requirements

Q. Do I need to continue to carry out my auto-enrolment duties at this time?

Yes. Whether your members are still working or have been furloughed under the Coronavirus Job Retention Scheme your auto-enrolment duties remain – details of your continuing obligations can be found [here](#).

Q. Should I continue to pay scheme contributions?

Yes. You should continue to pay pension contributions in-line with your scheme rules irrespective of whether members are being paid by you or have been furloughed under the Coronavirus Job Retention Scheme.

Q. What will happen if I don't pay the scheme pension contributions?

During this time the Pensions Regulator has relaxed the reporting timeline so that we now have an obligation to report non-payers once contributions are 150 days late (as opposed to 90 days late). We will also write to members once the payment is 150 days late to inform them that contributions have not been received.

Q. If I have furloughed members do I still need to continue to pay pension contributions?

Yes, you should continue to pay pension contributions as normal. The Coronavirus Job Retention Scheme will also pay you the minimum employer pension contribution of 3% (based on the band earnings pensionable salary definition up to the furlough scheme cap of £2,500 per month). You should continue with your usual payroll processes and send pension contributions as normal for all members.

Q. What if I use a different definition of pensionable pay to calculate pension contributions?

You should continue to calculate and pay pension contributions as you currently do. For members that have been furloughed you will receive the minimum employer contribution of 3% (based on the band earnings pensionable pay definition up to the furlough scheme cap of £2,500 per month). This will likely mean that you will need to make up the difference between what the Coronavirus Job Retention Scheme pays and the normal employer pension contribution for your scheme.

Q. I'm paying more than the statutory minimum employer contribution; can I reduce the employer pension contribution?

You may be able to decrease it to the statutory minimum, however, you cannot legally reduce your contributions to below the statutory minimum. There are a number of factors you should consider when deciding to decrease the employer contribution including employee consultation requirements. Details can be found [here](#), including the relaxation of the rules for furloughed employees.

Q. Can a member reduce pension contributions?

Yes, if your scheme rules allow. Members who request this should be made aware that they could lose out on valuable benefits such as potential investment growth, tax benefits as well as employer contributions. Your members need to make their own decision on this as your auto-enrolment obligations prohibit you from encouraging or inducing members to do this. To reduce contributions simply tell us what the new contribution level is when your upload the scheme contribution schedule as normal.

If a member reduces their contributions below the scheme minimum then they will be treated as having opted out of the scheme for auto-enrolment purposes. Once things return to normal you may want to contact impacted members, highlighting the benefits of retirement savings and asking them to consider increasing contribution levels back to their previous levels.

Q. Can a member stop pension contributions?

Yes. A member can choose to stop their contributions if they wish but by doing so they will be opting out of the scheme. They should also be made aware that they could lose out on valuable benefits such as potential investment growth and tax benefits as well as employer contributions. Your members need to make their own decision on this as your auto-enrolment obligations prohibit you from encouraging or inducing members to do this.

Q. Do I need to re-enrol a member who has stopped contributions?

Yes, but not until your next scheme re-enrolment date, unless the member stopped contributions within 12 months of this date. If this is the case you do not need to re-enrol the member until the following re-enrolment date.

Once things return to normal you may want to contact impacted members, highlighting the benefits of retirement savings and asking them to consider increasing contribution levels back to their previous levels.

Q. Can a member opt back into the pension scheme?

Yes, members who reduce their contribution below the statutory minimum, opt out, or cease active membership, can choose to opt back into the pension scheme.

Q. Can a member pause pension contributions?

Yes, but your member should be made aware that they could lose out on valuable benefits such as potential investment growth and tax benefits as well as contributions from the employer. To pause member contributions you will need to inform us of this when you upload the scheme contributions as normal (mark them as a 'payment holiday' when queried). If a member pauses their contributions they will be treated as having opted out of the scheme for auto-enrolment purposes. Once things return to normal you may want to contact impacted members, highlighting the benefits of retirement savings and asking them to consider restarting their pension contributions. If anyone placed on a 'payment holiday' goes on to leave employment, please contact us to let us know.

Q. What are we telling members if they contact us about reducing or stopping payments into the scheme?

You can stop payments into your pension whenever you want. However, as tight as things are for many of us right now, stopping your pension contributions is an important decision and careful consideration should be given before doing so.

This is because stopping payments may mean you'll miss out on valuable additional contributions from the government and possibly your employer. For every £80 you save into your pension, the government typically adds an extra £20 in tax relief. And, if you're in a workplace pension, your employer will typically also be making contributions too.

If you're worried about money, you might want to consider if you can reduce your pension payments in the short term rather than stop them altogether. The money you save now will be used to buy investments typically at a lower price compared with what they were at the start of the year.

If you would like to reduce or stop your pension contributions and are in a workplace pension, you may need to check with your employer first (or use your employer's online benefits service if you have one). Some employers have different rules on how and when you can do this. If you decide to stop or reduce your payments you may be opted out of your workplace pension. When you're ready to re-join or increase your payments, you'll need to contact your employer rather than wait to be automatically re-enrolled, which will typically be in three years time.

For more help in making ends meet in the current environment, read the Money Advice Service's guide on [emergency government relief and benefits](#).

Q. What payment should I make if a member is off sick?

Statutory sick pay should be treated as qualifying earnings and contributions should continue to be paid.

Q. What should I do if members have been made redundant?

You should pay any outstanding payment due then inform us that the member has left the company in the usual way.

Q. Is it possible to spread the pension payments over an extended period?

As stated above the regulator has relaxed the rules on late payment which means we do not have to report employers until the payment is 150 days late for any given pay period. However you will need to make full payments for each respective pay period. We will not be able to accept partial payments for a pay period.

Q. Where do I find the latest guidance from the Pension Regulator?

The Pensions Regulator is posting regular updates on the impact on auto-enrolment and DC pension contributions on their web page. View the latest guidance [here](#).

Q. We are operating a salary sacrifice scheme and have furloughed our members. What is the impact on pension contributions?

The Pensions Regulator has provided [technical guidance](#) on the interaction between normal pension contributions and the Coronavirus Job Retention Scheme where there is a salary sacrifice arrangement. Please note that this guidance will be more applicable to large employers and their advisers.

If you are a smaller employer and this applies to you, you may want to contact your payroll adviser in the first instance for help.

Investments

Investment Performance and Market Volatility

Q. Have you made any changes to off the shelf defaults due to COVID-19?

We made changes to the Strategic Asset Allocation (SAA) of Active Plus and Passive Plus in the second half of 2019. In the setting of the SAA we take a long term view meaning that it doesn't need to be subject to fundamental changes as a result of market events which may have a short term impact. Instead, the manager of Active Plus can make small tactical decisions in response to short – medium term markets, with a view to taking opportunities they have identified. Over the first quarter of 2020, the manager made tactical changes, such as reducing the amount of exposure to global high yield bonds and taking advantage of equity weakness by increasing exposure to UK and US equities.

Q. How are your default funds performing?

Clearly the first three months of 2020 have been extremely challenging for investors. However, the high level of diversification across our “easy” range of funds has meant that investors have not been fully exposed to the significant market falls experienced by many asset classes. For example, as at 1 April 2020 the FTSE® All-Share Index* had fallen by -27.9% in the three months to 31 March 2020. However, our Active Plus III Pension Fund, the main fund used in our standard default investment option for workplace pension holders, had fallen by -14.7% over the same period. Please be aware that those funds towards the upper end of our risk range will have experienced greater falls due to their higher allocation to equities, however the diversified nature has still meant investors have not suffered the full market falls.

It's important to note that past performance is not a guide to future performance. The figures shown here are to demonstrate performance over this particular period.

Source: Financial Express, March 2020.

When we design our default funds it is always with the long-term in mind (40 years) and therefore we need to be mindful of this when we experience large scale falls such as the last three months. We understand that clients can feel unsettled by these large drops but it is important to keep investment composure during these periods and not to make any knee-jerk decisions. We constantly review the Strategic Asset Allocation (SAA – our long-term asset allocation) of these funds and occasionally make changes based on changes to our long term forecasts. Within the Active Plus fund, we can make small tactical decisions (short-term changes) based on the current market environment. Over the course of the first three months, this has seen us reduce the amount of exposure to global high yield bonds and take advantage of equity weakness by increasing exposure to UK and US equities.

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Investment rebalancing

Q. Are there any plans to automatically stop rebalancing in default strategies in this current climate? If so, would this be only where a client has one of your “off the shelf” defaults rather than a bespoke?

Currently all default strategies are still being rebalanced towards their target allocation. There are no immediate plans to change this. Standard Life will continue to actively monitor this situation.

Property funds

Q. Where can I find information on any property fund deferrals?

All fund updates can be found [here](#).

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