

40 YEARS
ANNIVERSARY
1979 - 2019

Bandwagon

The BWCI Group Newsletter



Quarter 3 - 2019

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2019 BWCI Mini Soccer Festival



Island Enterprise Awards Launched



BWCI is delighted to be part of the inaugural team of corporate sponsors for the Island Enterprise Awards. Launched at the beginning of July, these six business-focused awards will celebrate the successes of both individuals and corporates in Guernsey's business community. BWCI will be sponsoring the new Innovation and Enterprise Award.

In announcing the award, BWCI's Senior Partner, Stephen Ainsworth said:

"BWCI has grown from small beginnings in 1979 to become a successful and diversified group. As part of our 40th anniversary celebrations, our sponsorship of these awards will help to shine a light on the innovative and enterprising businesses that are enhancing the local economy."



Launching the Island Enterprise Awards - Representatives from the sponsors - BWCI's Senior Partner, Stephen Ainsworth, is 4th from the left

Further details of the awards and how to enter are expected to be available from Monday 2 September at:
<https://www.islandenterpriseawards.com/awards>

Promotions

We are pleased to announce a total of eleven promotions, which took effect from 1 July 2019, across a number of our business areas.

Alison Hawkins, BWCI's Senior HR Manager, in congratulating everyone who has received a promotion this year said *"It's fantastic that we can demonstrate our commitment and dedication to developing our staff by awarding these promotions which signify another bumper year of development activity"*.

Michael Jones becomes a Manager in our actuarial insurance team. He qualified as an actuary at the end of 2018 and his promotion reflects his increasing level of responsibilities, as well as strengthening our management team.

Senior actuarial student **Jessica Sumner** in our pensions actuarial team becomes an Assistant Manager, marking her continuing progress through the actuarial exams and her increasing client responsibilities.

There are six promotions within our pensions administration team: **Lewis Brun** becomes an Assistant Manager, reflecting the growth in this area, **Dan Moyles** and **Arnis Zugans** become Senior Employee Benefits Administrators, while **Simon de la Mare** and **Mikus Eglitis** have both completed our initial in-house training programmes to become Pensions Administrators and **Lisa le Poidevin** becomes a Trainee Employee Benefits Administrator.

There were also three promotions within our support teams: **Justin Jones** becomes an Assistant Manager in our Business Support Team, **Daiga Gerke** is promoted to Senior Company Secretarial Administrator and **Nadine Ogier** becomes a Senior Accounts Assistant.

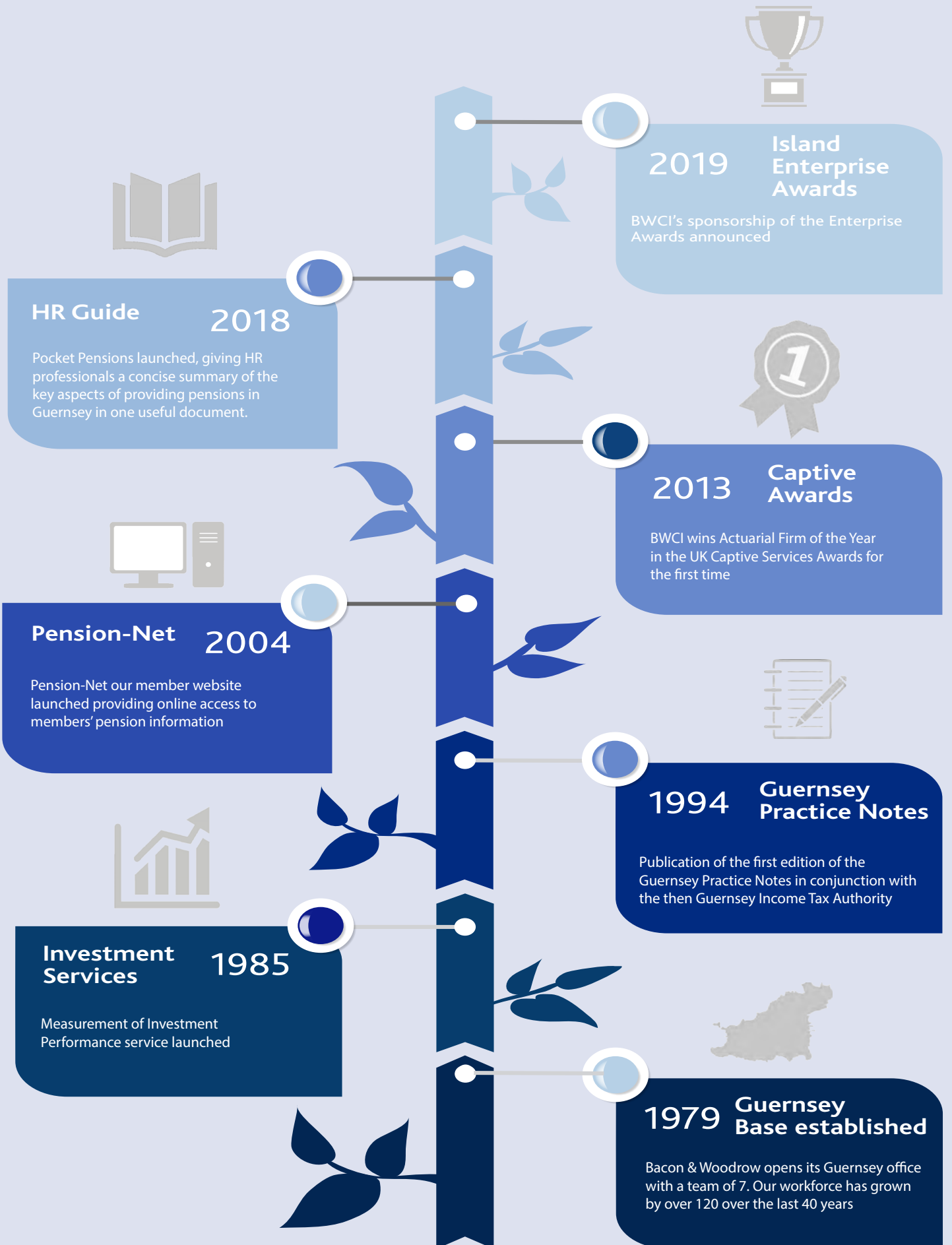


*Mikus Eglitis
Newly promoted
in Jersey*



Newly promoted - Guernsey - based staff - left to right : Michael Jones, Justin Jones, Dan Moyles, Jessica Sumner, Daiga Gerke, Lisa Le Poidevin, Lewis Brun, Simon de la Mare and Arnis Zugans. Nadine Ogier was unavailable

BWCI Business Developments



Good Scheme Secretaries



“... need to have a range of skills”

Erin Bisson
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A pension scheme secretary is much more than just a minute taker. In a landscape with increasing focus on good governance, having an effective scheme secretary in place can help ensure a well-governed, efficient scheme and optimise member outcomes.

The role of scheme secretary

It is difficult to define in a single sentence the exact role of a scheme secretary. The tasks performed vary depending on the type of scheme, its size, number of subcommittees, the frequency of meetings and any special projects that crop up from time to time. In some cases the role will be part of the “day job” of an employee of the sponsoring employer. Indeed, for large schemes it may well be their entire day job, calling on additional support as necessary. In other cases, the scheme secretary role will be outsourced to a third party.

The breadth and variety of the secretarial function makes it an interesting, if somewhat challenging, role at times. Good organisational skills are key; it is important to plan well in advance and arrange meetings with trustees and advisors; ideally setting all of the meeting dates at the start of each year to maximise attendance.

The secretary should keep detailed records. This will help to ensure that any trustees’ decisions or delegated actions are clearly recorded. This is particularly important if a decision needs to be revisited due to a challenge or might be a useful precedent for a similar case.

Making things happen

After trustees have made decisions, the scheme secretary should ensure that they are actioned in a timely manner. This will include checking that all necessary communication occurs between all relevant parties, including the sponsoring employer where appropriate. The scheme secretary often acts as the trustees’ liaison with the administrator and assists with drafting individual member communications, managing any complaints, and investigating the background to cases where trustees need to exercise discretion.

Good scheme secretaries need to have a range of skills to ensure the smooth running of a pension scheme. They will be often have a professional qualification and will need to keep up to date with developments in the pensions industry in order to support the trustees.

A well-run scheme is a well-governed scheme, and this is so often down to having a good scheme secretary.



Scheme Secretary's Tasks

- Monitoring the annual calendar of tasks
- Keeping and maintaining the formal dispute procedure
- Keeping trustees abreast of any legislative or best practice changes
- Keeping records of any activities that have been delegated by the trustees
- Keeping and maintaining appropriate governance documentation, for example the conflicts of interest register, business plan and integrated risk management framework
- Managing and reporting any data or legislative breaches and maintaining a breaches log
- Ensuring a process is in place to call emergency meetings if necessary, for example in the event of a serious data breach
- Preparing and monitoring the scheme budget
- Assisting with trustee recruitment and arranging an induction programme for new trustees
- Monitoring the trustees’ training needs and arranging appropriate training

Guernsey Discrimination Consultation - Pension Implications



"pension schemes still could use age criteria"

Michelle Galpin
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10 Protected characteristics

- age
- carer status
- disability
- marital status
- pregnancy or maternity status
- race
- religious belief
- sex
- sexual orientation, and
- trans status

The Committee for Employment & Social Security has issued a consultation on anti-discrimination legislation in relation to employment and the provision of services. We look at the potential implications for occupational pension schemes.

Overview of Proposals

Guernsey introduced sex discrimination legislation in 2006. It is proposed that in future it would be illegal for employers and service providers to discriminate on the grounds of a further nine protected characteristics.

How will this affect pensions?

Currently, pension schemes must not discriminate on grounds of sex in respect of benefits accruing from 1 March 2008. Under the proposals, employers would need to provide equal "terms and conditions" to all employees who are in circumstances that are not materially different from each other. "Terms and Conditions" include working hours, leave entitlements, bonuses, and access to health insurance, benefits in kind and occupational pensions.

Exemptions for Pension Schemes

It is proposed that occupational benefits and pension schemes could still use age criteria in the following circumstances:

- to fix ages for admission to a scheme or to fix an age for claiming benefits,
- to use ages in actuarial calculations, or
- to provide different rates of severance payment based on the difference between the current age of the employee and their State Pension Age.

Pension schemes could also impose a maximum length of pensionable service or set different age-banded contribution levels for money purchase schemes (where the aim is to equalise the resultant benefit for comparable members). They could also use gender-specific actuarial factors where there is actuarial data to justify the difference.

Pension schemes, annuity providers and insurers would be able to use some protected characteristics to undertake assessments to determine the terms for a specific benefit or contract.

In these circumstances exemptions are expected to apply to differential treatment on grounds of age or disability.

Transitional arrangements

The consultation notes that there may be some historic schemes which treated people differently in a way that would not be permissible when the legislation comes into force. These schemes would not be subject to complaints of discrimination if *"there are reasonable and proportionate transitional arrangements agreed prior to the legislation entering into force to phase out the scheme; and these are already being implemented when the legislation comes into force with a view to reaching a position which would be compliant."*

Points to be clarified

It is unclear if pension schemes will still only be required to provide equal benefits for men and women from 2008 onwards.

An employer can require an employee to retire from employment where this can be objectively justified. However, if in practice the legislation makes it difficult for employers to terminate an individual's employment once they have reached retirement age and a scheme is required to continue to provide death in service benefits for them, the cost of doing so could increase considerably.

Consultation Timetable

The consultation closes on 30 September 2019, with the results due in December 2019. Proposals are then expected to be brought to the States for debate by April 2020, with the earliest date for the legislation coming into force being sometime in 2021.

Next Steps

In view of the proposed exemptions, other than the areas where clarification is required, it is unlikely that the proposed legislation will have any significant implications for the operation of pension schemes. In the meantime, we recommend that trustees consider if there are any aspects of their pension scheme design which might be considered discriminatory and the options available to eliminate the discrimination.

The consultation can be found at:
<https://www.gov.gg/discriminationconsultation>

Discrimination Legislation Timeline



Consultation



Consultation results published



Deadline for States debate



Earliest date legislation could come into force

Trustees' Training Needs



"taking steps to address any knowledge gaps"

Carl Stanford
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Governance Consultation

The UK Pensions Regulator recently released a consultation on the "Future of Trusteeship and Governance" and noted that there is a broad consensus across the pensions industry that good governance is essential for positive outcomes for pension savers. However, the Regulator's evidence suggests that some schemes -particularly small ones- fall short of the standards expected. While the consultation relates to UK schemes, the importance of trustees having a good understanding of their scheme and the key issues is equally important for schemes more generally.

The Regulator is proposing to address its concerns by focussing on three main areas:

1) Trustee knowledge and understanding (TKU)

The UK's existing TKU code of practice and scope guidance are to be revisited, with a view to making them simpler, cleaner and easier for trustees to translate the theory into practical good governance. In addition, trustees will increasingly be expected to demonstrate how they meet TKU requirements. One way to do this is through appropriate training.

2) Effective decision making

Measures being consulted on include looking at trustee board diversity and the possible appointment of an accredited professional trustee.

3) Driving DC Scheme consolidation

Schemes which are unable to meet standards will be encouraged to wind up or consolidate. The Regulator believes that, over time, members would be better served by fewer, larger and hence better governed, schemes.

Existing TKU requirements

Trustees are expected to have adequate knowledge and understanding of pensions and trusts; the principles of funding of occupational schemes and the investment of scheme assets. They must also have a working knowledge of their own scheme's documents. Newly appointed trustees have 6 months to get up to speed. Trustees of DC schemes in the UK also have a legal obligation to explain how this requirement has been met in the annual chair's statement to members.

Assessment

The Regulator encourages individual trustees to review their level of TKU annually and use this as the basis for planning their training needs over the year. This review could be part of a wider annual assessment of the effectiveness of the board as a whole. Increasingly we are seeing trustee boards of both local and international schemes taking steps to address any knowledge gaps. With new legislative requirements and other issues emerging over time, if this review process is not conducted annually trustees' knowledge can quickly become out of date.

Acquiring Knowledge

The Regulator's online Trustee toolkit has been developed for UK scheme trustees to build up their knowledge and understanding. However, while it is a useful overview of the UK requirements, the toolkit's UK focus is of less relevance for schemes outside the UK. It is also not tailored to a specific scheme's issues and training needs. BWCi provides bespoke trustee training to supplement online training material, covering both current issues and scheme-specific training for trustees of UK, local and international schemes.

Evidencing

It is important that, as well as acquiring knowledge, trustee boards keep records of learning activities undertaken to demonstrate how the TKU requirements have been met.

Reporting Solution

BWCi provides a Trustee Knowledge and Understanding assessment and reporting service which greatly simplifies the assessment process for trustees. It can be tailored to the specifics of the scheme. Each trustee completes a confidential online survey where they rank their understanding in various areas. The survey responses are summarised in a short report, including the average, lowest and highest rankings for each knowledge area on an anonymous basis. The report highlights where training is required and prioritisation of training needs, as well as a formal record of the assessment process. This can then be used as the starting point for planning trustee training over the coming year. The success of any training programme can subsequently be measured by comparing the results of annual assessments.

Sample Extract from a Trustee Knowledge Assessment

Area of Knowledge	Knowledge Level (1 Low, 3 Adequate, 5 High)		
	Lowest	Highest	Average
Trustees' powers	3	4	3.7
The importance of responsible ownership of investments	2	3	2.5
Myners' principles for governance and decision-making	1	3	1.8

Individual Trustees - Are you registered?



“trustees are data controllers”

Carl Hansen

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We have by now probably all experienced the impact of the European Union’s General Data Protection Regulation (GDPR) and local equivalent rules on our daily lives – more emails seeking permission to remain on mailing lists, more boxes to tick for activity on the internet, more things to agree to when checking into hotels, ... A less conspicuous aspect of the new data protection rules is the impact on trustees of various employee benefit plans.

Under data protection rules, trustees are data controllers. Therefore, trustees need to be registered as required under local data protection legislation. This includes professional trustees, special purpose corporate trustees and individual trustees. In the past, registration has typically been undertaken for corporate trustee entities. However, the same principles now apply to individual trustees, who may previously have been exempted from registration. Any existing registrations should be renewed as they expire.

While Guernsey and Jersey are both outside the European Union, both islands have adopted local data protection rules, equivalent to GDPR, reflecting the volume of data shared with other jurisdictions. Guernsey and Jersey have both clarified their stance on registration of individual trustees.

Both jurisdictions have confirmed that individual trustees should be registered as data controllers. Fortunately both jurisdictions will allow registration of individual trustees as one group (such as “The Trustees of the XYZ Pension Plan”). A group registration will be simpler to administer, as there will be no need to update names when individual trustees change. Also, it will mean paying just one registration fee rather than one for each trustee.

If you would like any additional information on registering trustees under data protection rules, please contact your usual BWCI consultant.

Registration details

Jersey



The Jersey Information Commissioner’s Office has recently revamped its online registration system to gather significantly less information. While the current annual registration fee of £50 still applies, a recent consultation document suggests that a new fee structure will be in place by the end of 2019. The new fees are proposed to range from £70 to £2,500 per year, depending upon a number of risk factors (such as the number of employees, revenue, and the types of data held) that will be assessed during the registration process. At this point, it is not clear how the proposed measurements will be applied to non-profit making trustee entities. Jersey’s registration system can be found at:

<https://jerseyoic.org/membership/>

Guernsey



Guernsey’s Office of the Data Protection Authority has also recently simplified its online registration system. The annual registration fee for Guernsey also currently stands at £50. However, we have had an indication that it intends to review its fee structure in the near future. The end result could be tiered fees more in line with those proposed for Jersey. Guernsey’s registration system can be found at:

<https://odpa.gg/online-registration/>

40th Anniversary Bursaries



Bursary students William Ogier (left) and Jean Luc Parker.

We are delighted to announce the recipients of BWCI's 2019 student bursary. This year we are awarding a second bursary as part of our 40th Anniversary celebrations.

This year our bursaries have been awarded to mathematicians William Ogier and Jean Luc Parker.

William has just completed his A levels in Mathematics, Further Mathematics and Chemistry at Elizabeth College. He has an offer to study Mathematics at the University of Durham later this year.

Jean-Luc is in the final year of his Mathematics degree at the University of Exeter, having studied for his A levels in Mathematics, Further Mathematics and Economics at the Guernsey Grammar School and Sixth Form Centre.

BWCI's Senior HR Manager, Alison Hawkins said: "We were delighted to receive such a high standard of application for our bursaries and we look forward to supporting both William and Jean Luc in their future studies, as well as providing them with some practical experience in a working environment".

BWCI Mini Soccer Festival



Action from the 2019 BWCI Mini Soccer Festival

Everyone breathed a huge sigh of relief that after a period of torrential rain the night before, Saturday 20 July turned out to be bright, sunny and warm. In fact the heavy rain had given the pitches for the 2019 BWCI Mini Soccer Festival a much needed watering after the recent drought. The final for the BWCI Shield was a very close affair with the winners of the previous nine tournaments, Everton, taking on Jersey's Grouville Blues. Early on in the final it looked like there could be a new name on the shield in 2019, with Grouville scoring first.

However, it was not long before Everton equalised. No further goals were scored and the 1-1 draw meant that the Festival ended with a penalty shoot out. Everton went on to score with each penalty they took, while all of the Grouville Blues shots were either saved or wide of the mark. The final for the BWCI Plate was an all – Jersey affair, with Trinity beating St Peter.

We would like to thank Martyn Banton and Angus Mackay for their hard work over the year to make the Festival such a wonderful weekend of mini football.

The Globe comes to Guernsey



Shakespeare's Global Touring Company

We were very pleased, through our BWCI corporate sponsorship, to be able to play our part in securing a first for the Channel Islands; we welcomed Shakespeare's Globe Touring Company to Guernsey's St James for four nights in mid July. The company performed *The Comedy of Errors*, *Pericles* and *Twelfth Night* on successive days, with the choice of play for the final night being based on the audience's vote on the night.

This last performance really captured the spirit of the Globe Theatre, with the audience standing just as they would have done back in the 16th Century and with the actors appearing amongst them as the play continued!

Readers are reminded that nothing stated in the newsletter should be treated as an authoritative statement of the law on any aspect, or in any specific case and action should not be taken as a result of the newsletter. We will be pleased to answer questions on its contents.

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