

Checklist for pension scheme trustees

Ukraine update: Assessing the impact on your scheme

We've set out some of the points that trustees should check/consider in light of the Ukraine crisis and the impact it may have on their pension scheme and members.

Using your Integrated Risk Management (IRM) policy to help assess and understand the risks should help provide focus on next steps.

1. Has there been any impact on the sponsor covenant?

Understand what the sponsor is doing to monitor and respond to the situation.

Seek information from the sponsor on the impact of any direct exposure (e.g. investment or business activity in Russia or Ukraine).

Seek information from the sponsor on the impact of any indirect exposure (e.g. supply chains).

2. Should we make any changes to our investment strategy?

Ensure your current portfolio reflects your risk tolerances.

Assess your exposure to Russia and assets affected by the sanctions.

Review your inflation hedging.

Review the robustness of your ESG policy.

For DC schemes, ensure your options enable members to reflect their views within their investment strategy.

For schemes using a fiduciary manager (FM), ensure you understand what the FM is doing to monitor and manage the situation.

3. Are there any governance implications and should we be doing anything different with our members?

Consider if tasking a sub-committee to consider the issues is helpful.

Review policies and procedures (e.g. risk register, business continuity plans, and data breach plans).

Check with service providers for any impacts and understand what measures they are taking.

Ensure your administrators have a robust process for identifying scams, ask them to report on any increase in transfer requests, and consider whether any communication with members about the risk of scams is required.

Consider whether any more general communication with members is needed.

About us

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