



Appointment of Independent Trustees

PPF RESTRUCTURING & INSOLVENCY TEAM –
GUIDANCE NOTE 7

December 2018

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Background

- 1.1** One of our key objectives is to take a scheme through the assessment period as quickly as possible and control the costs associated with this process. At the same time, we want to improve quality standards following insolvency, so the pension scheme member can be certain about their future income as quickly as practically possible.
- 1.2** This is partly achieved by appointing appropriately qualified trustees and advisors to the scheme who are experienced in the Pension Protection Fund's (PPF) processes and requirements.



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PPF approach

- 2.1** Our preferred approach when a PPF assessment looks likely is to appoint a panel trustee who can act robustly and knowledgeably when it comes to developing outcomes.
- 2.2** The pension scheme trustee is a critical partner and experience has shown that if trustees are in place who are not completely up to date with our processes and ethos, we encounter difficulties during the assessment process.
- 2.3** Ultimately, these difficulties result in a negative experience for members and impact on our ability to deliver value for money for PPF Levy payers.



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Existing Trustee skillset

3.1 The following questions and their subsequent answers often highlight the knowledge and expertise gaps a PPF specialist can fill on a Trustee Board.

- What level of PPF entry expertise can the Trustee Board demonstrate?
- What level of contingency planning is being done by the Trustee Board to minimise any impact to members?
- Are operating costs being effectively managed and controlled to protect the scheme's assets?
- What controls are in place to make sure the quality of the advisers' work is to an agreed standard?
- Can the Trustee Board demonstrate expertise in PPF assessment work?

3.2 With a suite of five PPF specialist firms, we can offer a wide range of trustee expertise to support a Trustee Board, both before employer insolvency and throughout the assessment period.

Details of the panel are available from our Trustee Panel Manager or on our website.



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Pre-Insolvency Involvement

4.1 It is common for a panellist to be appointed to the Trustee Board to assist pre-insolvency. Once the insolvency event occurs, it is then usual that the original Trustee Board falls away, leaving the specialist trustee as sole trustee.



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Post Insolvency Appointment

- 5.1** An alternative way to put a trustee in place early is for the IP to use the pension scheme's power of appointment and removal, where it is available to them. Rather than waiting for The Pensions Regulator (TPR) to appoint, which can be lengthy because of the statutory notice periods, IPs would help both the members and the PPF by making an appointment from our trustee panel and removing the incumbent trustee at the same time.
- 5.2** The trustee would be chosen on the basis of capacity and experience of the circumstances surrounding the scheme. TPR is happy with this approach.



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Please note this leaflet seeks to assist stakeholders and insolvency professionals on our approach to restructuring and insolvency cases. It is an accompaniment to existing publications from the PPF published on our website, not a substitute. We encourage restructuring & insolvency practitioners and trustees to seek appropriate, specific case guidance.

See www.ppf.co.uk for further information.
