

Coronavirus (COVID-19)

The COVID-19 pandemic has undoubtedly had a significant impact. This is no different as far as pensions are concerned. Stock markets the world over have taken a hit, so you may be wondering what the impact will be on your Scheme pension.



An update from the Trustee

Your pension

As the Hays Pension Scheme (the Scheme) is a 'defined benefit' pension arrangement, what you receive in retirement is based on a formula. When you left service, you would have received a statement which provided details of your deferred pension, the increases applicable both before and after retirement, as well as dependants' pensions.

This pension is a promise to you under the Scheme Rules, and doesn't change depending on what is happening in the wider world. However, the assets of the Scheme may be affected by global events, and the Trustee has had to manage investments and these new global risks in light of the COVID-19 pandemic.

Investment strategy

The Trustee has considered the ever-changing COVID-19 situation and has designed and implemented the Scheme's investment strategy, taking a long-term view, and has built in resilience to withstand short-term fluctuations. The management of the Hays Pension Scheme, together with the factors likely to affect its future development, performance, and financial position are set out in the [Annual Report and Accounts](#) document.

Asset values

The Scheme has sufficient financial resources in the form of the investments held. As at 30 June 2020, the value of the assets was estimated to be 97% of the amount needed to cover the Scheme liabilities on a Technical Provisions basis. These investments, together with the bulk annuity income receivable from Canada Life Limited in relation to pensioner payments for all pensioners of the Scheme as at 31 December 2017, and the additional employer deficit funding contributions received from Hays plc currently agreed until February 2024, will continue to provide sufficient sources of liquidity to fund the Scheme.

The Trustee Directors consider that the continuance of additional employer deficit funding contributions, in line with the agreement, is supported by the Hays plc financial statements for the year ended 30 June 2020 having an unmodified audit opinion from PwC dated 26 August 2020 and the receipt of the agreed deficit funding payments throughout the year ended 30 June 2020 and subsequent contributions received to date.

Therefore, the Scheme is well placed to manage its risks and contractual commitments and neither the employer nor the directors have discussed plans to wind up the Scheme.

A message from Equiniti

Over the last seven months or so, we have put various updates on the website to try and reassure you that running the day-to-day administration of the Scheme has been 'business as usual' but with some slight tweaks. We believe the administration service has been and continues to be fairly resilient in the current climate, but thought we would take this opportunity to let you know what has happened and continues to happen behind the scenes to ensure that the administration runs smoothly.

We have moved more than 90% of our employees to a work-from-home model, and although they are still taking telephone enquiries from you, we request that you send any enquiries by email (to hays@equiniti.com) if possible. We didn't know how badly hit we would be with staff catching COVID-19, even when working from home. At the start of the pandemic, we therefore confirmed to the Trustee what were deemed critical services. These include:

- Ongoing payment of pensions; and
- Activities that would result in benefits being put into payment;

Having set key priorities, less critical services, such as benefit projections, may take us a bit longer than usual to respond to. Equiniti continues to operate on a hybrid working model with staff working from home or in the office or a mixture, and all work continues to be actioned in a timely manner.

You can also be assured that day-to-day administration continues much the same as before the pandemic, and that we will keep you informed of any changes and important updates.

Yours sincerely,

Sean Burnard
Chair of the Trustee Board