

Aon's response to COVID-19

Pensions Administration Resilience Update – May 2020

For up to date information on Aon's response to COVID-19 and useful tools to support trustees and sponsors, please visit our dedicated page: [click here](#).

We have worked to keep clients and industry partners closely informed of our response and what this means for service; to clients and their members. Here we provide our May update (for a copy of our April update, [click here](#)) which we hope will give you the confidence that we remain well positioned, as we have throughout each stage of this difficult period, to continue to support you and your members.

Our c650 Pensions Administration colleagues, spread across our three locations, have done an extraordinary job in responding to the dramatic change required of them and, in doing so, have supported each other and our clients. There has been a clear recognition from the whole team that we needed to be there when our clients, and in particular their members and their loved ones, needed us.

Below we provide a reminder of the headlines of our response and an update to reflect developments and experience since our April update. Again, we have also captured some key themes from clients' questions in our FAQs on page 2 (and we thank you for the messages of support and appreciation shared with the team).

We are still in the very early stages of this challenging period; some have said we are '*only approaching the end of the beginning*'. The wider Aon team will continue to monitor all aspects of experience and our model in light of emerging circumstances, insight and Government advice.

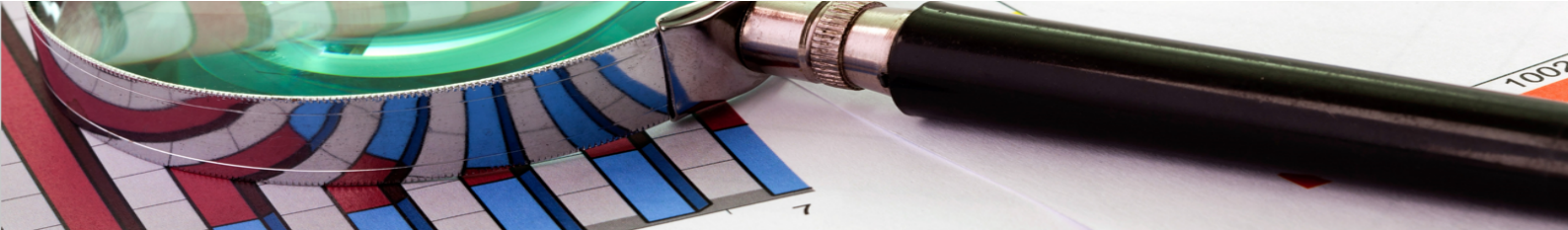
A reminder of the headlines of our response so far

- We confirmed that all aspects of service remained fully operational throughout - this remains the case. To be clear, this includes day-to-day administration teams, special project teams, our Pension Service Centre (member contact centre), payroll, accounts & treasury.
- Our team operates as one across our three locations (Birmingham, Krakow and Sheffield). The 'fully operational' message continues to apply across all locations. They form one Operating Model, supported by the same infrastructure and technology.
- The team is operating 100% in a home-working structure. Levels of productivity remain high, equal to normal levels. We are also pleased to report that absence levels remain low and are below normal levels.

Again, together this means that we have been able to maintain service throughout. Members can access our team and their scheme through the same range of communication channels, web, phone and mail, whilst client's strategic projects continue to be delivered.

An update on developments and experience in recent weeks

- Volumes of work and member activity have been variable during the almost two months since the world changed so dramatically. We are now seeing these settle close to pre-crisis levels. With productivity levels maintained, we have not seen a deterioration in service or member experience.
- There has been no significant shift in the nature of work but there has been a tilt from traditional mail to e-mail. Contact by phone remains popular and we continue to receive around 2,700 calls per week. We're delighted that in April 95% of members completing our survey rated their experience '*excellent*' or '*good*' and for 88% we were able to complete their requirements on the first call; our '*first call resolution*' measure.
- Protecting members is key during these times and we moved rapidly to adapt our process in light of further guidance from the Pensions Regulator (see our FAQs on page 2).
- We have rolled out online ID verification on death, retirement and transfers-out cases. This proves successful for the majority of cases, removing the need to send certificates, reducing risk and improving the member or family experience. Accepting good quality colour photos by email has been a positive and sensible adaptation in the minority of cases where the online model is not successful.



Some FAQs from recent weeks

Q: The Pensions Regulator has strengthened guidance on protecting members against scams. How do Aon deal with this?

A: We have had a rigorous process in place for combatting pension scams for some years. Aon sits on the Pension Scams Industry Forum and the process approach within the Administration business is supported by Aon's Financial Crime Team. Our standard member packs and letters have been updated to reflect the Regulator's recent guidance.

Q: How are members responding to this environment in respect of transfer values?

A: The approach to combatting scams within the Administration function is only one of the tools available to trustees and sponsors in this area. In our webinar in April we looked more widely at this whole area and how you can support your members. You can access the recording [here](#).

Q: I've heard AVC providers and some investment managers are experiencing difficulties. How are Aon managing this to protect member experience?

A: Having experienced some challenges early on, we have been pleased with the positive response from providers. Our Administration team have been able to work closely with our DC Consulting Team and our Investment Consulting team to get to the right people at the right time at these providers and address blockages. For instance, we've seen investment managers adopting new practices to manage disinvestments and cashflow without wet signatures.

Q: We are hearing about important projects being deferred or cancelled elsewhere whilst priority tasks are focused on. Is Aon doing this?

A: No. We continue to be able to support clients in all areas of service and this includes our Special Projects Team. We are continuing with the likes of member options exercises, data cleanse work, supporting risk settlement projects and, of course, the continuation of GMP reconciliation and the early stages of GMP equalisation. Of course, data extracts for 2020 valuations are a topical issue at the moment and these continue to be provided in a BAU form.

We should stress on the question of projects, these comments apply to commencing work on new projects too (not just those already underway).

Q: Aon provide us with consulting advice but our administration is carried out in-house (or by another TPA). We have an important project that is stalled because of lack of admin resource or service disruption, can you help us with project resource?

A: We've built a lot of experience supporting other Aon clients in this way over recent years. It works very well for a number of project types so, if this is relevant, please speak to your usual Aon contact and we'll be happy to have a conversation with you about this.

Q: We have all been following the health impact and, sadly, the deaths resulting from COVID-19. How are the Aon team managing this now and are you prepared for what might still come?

A: Like everyone, we hope we are passed the peak and that the situation will continue to improve. Our operating structure means our teams are trained across multiple disciplines and tasks (rather than more limited specialists such as a 'retirement team' or a 'death case team'). This has provided the flexibility to ensure specific work of this nature can continue to be dealt with on a priority basis and we are confident this will remain the case.

More widely, we realise that some supporting bereaved families through these times can be difficult for some of our team, especially those in the contact centre providing the first tier of support, so we are making sure we're supporting them too.

Overall, we've received fewer questions in recent weeks. This may reflect the fact that we have all had more time to adapt and, when considering Pensions Administration resilience specifically, our clients have had the opportunity to judge experience against the response described in our earlier updates.