

Trustees: Pensions and employee benefit schemes in Guernsey

May 2017

Both employers and trustees have a duty to ensure that any pension or employee benefit scheme (set up by them for their employees or administered by them, as the case may be) is set up and run properly.

"I am just the trustee. It's the employer's scheme so surely it's not my responsibility to keep the arrangements under review?"

As with any trust, as trustee you are under a duty to administer the trust (whether a pension scheme or an employee benefit trust) in accordance with the terms of the trust and in the interests of the beneficiaries (i.e. the members). Failure to do so is a breach of trust for which the trustee is liable to the members. Any failings may also be a breach of your services agreement with the employer company.

Indemnities may be available from the employer, but these are likely to exclude matters such as gross negligence, and there are other risks in terms of additional costs, adverse publicity and loss of business if you do not comply with your trustee duties.

A prudent trustee would keep a close eye on the scheme documentation and ensure they remain up to date, lawful and fit for purpose. In most cases, an annual review should highlight any issues. Additional reviews might be necessary where the scheme is likely to be affected by a particular event, such as the acquisition of the employer company or the transfer of members to another scheme.

How Collas Crill can help

Existing schemes

We can undertake a 'health check' of an existing scheme, which is advisable if the scheme documents have not been reviewed or updated for some time, or if there have been any changes in the structure of the employer which may have affected the scheme.

It is also advisable to have the documents reviewed and updated to take into account the new pensions regulations coming into force in Guernsey on 30 June 2017. Please click [here](#) for further information in respect of the new regulations and how they could affect you.

We will review the current trust documents and provide a short report on the headline issues and areas of risk. If we identify that documents need to be updated or replaced, or if you notify us of any particular concerns which have arisen but have not been resolved, we can then advise further on any steps that would be required to put matters right.

Our fees to carry out the initial 'health check' and provide such a report will be **£1,500** for any Guernsey scheme. We can provide separate fee estimates for preparing any updated documentation that is needed.

This flat fee does not include any time spent dealing with any specific concerns or issues on which advice is needed, for which we would also be happy to provide separate fee estimates or agree fixed fees. Such fees will depend on the nature and complexity of the particular concerns.

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New schemes

We can also advise on setting up new schemes, whether occupational pension schemes or personal pension schemes (domestic or international) to provide benefits on retirement, or an employee benefit scheme to incentivise employees.

As each scheme will be bespoke, we provide fee estimates for advising on the new scheme and preparing documentation to set up the scheme on a case by case basis.

In the first instance, we would suggest that we have an initial meeting with you to discuss your requirements. This first meeting will be at no charge.

For more information please contact:



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