



Merchant Navy Ratings Pension Fund
Trustees Limited
c/o Lane Clark & Peacock LLP
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Member Helpline: 01372 200385

March 2020

Dear Member

Merchant Navy Ratings Pension Fund (“the Fund”) update on the review of the governance structure of the trustee board (“the Trustee”)

Appointment of new trustee board and new independent Chair of the Trustee

As noted in the Trustee Report and Accounts (“Report and Accounts”) for the year ended 31 March 2019, published on the member website and highlighted in the letter sent to members in December 2019, the Pensions Regulator (the “Regulator”) has been undertaking an investigation into the governance of the Fund. This letter provides you with an update on this process.

Reminder about the involvement of the Regulator

By way of reminder, in late 2017, the Trustee at the time initiated an independent review of the governance of the Fund. Following an approach from the Trustee, the Regulator became involved and commenced its own investigation in November 2018.

Throughout this process the Trustee engaged with the Nominating Bodies (the RMT and the Employers Group (MNP EG)) on the governance issues which had been identified.

The Regulator has now concluded its process and, on the basis of the changes made by the Nominating Bodies and Trustee to the governance structure and framework for the Fund, has taken the decision to not exercise any of its powers at this time.

Going forward

Following this process, the Trustee Board has changed as follows: The MNRPF Employers Group and the RMT (as Nominating Bodies who have the power to nominate MNRPF beneficiary and employer trustee directors) have each appointed two new trustee directors:

- Paul Norris appointed by the RMT
- Andrew Gordon (known as Andy) appointed by the RMT
- Kenneth Macleod appointed by the Employer Group
- Simon Jeremy Kitchen (known as Jebb) appointed by the Employer Group

In addition, at a meeting of the Trustee on 4th February 2020, the Board appointed Pi Consulting (Trustee Services) Ltd (“PTS”) as Independent Trustee and board chair. This appointment had been discussed previously with the Regulator, who had no objections to it. PTS will be represented by John Oldland (see below).

Going forward, each Nominating Body will appoint one further trustee director to sit alongside three independent trustee directors (one of whom will be PTS acting as Chair of the Trustee), making nine permanent trustees in total. Members will be asked to help elect the new beneficiary directors and we will write to you about this when the process is to be started.

About Pi Consulting (Trustee Services) Limited

PTS was established in 2001 and is based in Wimbledon, London, SW19. It provides professional, independent trustees to a range of UK based pension schemes. They work with both ongoing defined benefit and defined contribution schemes in a range of different capacities including providing professional governance support to trustee boards, and a range of other specialist situations including appointments by the Pensions Regulator in situations where changes are required to the governance of a fund.

Internally, PTS has appointed professional trustee John Oldland to assume the responsibility for chairing the Trustee. John is a founding Director of PTS and has over 40 years' experience working in pensions including previous roles with Mercer, Sedgwick Noble Lowndes and Noble Lowndes, where he led and co-ordinated services from multi-disciplined teams, embracing administration, actuarial, consultancy, accounting, trusteeship and investment services. Since founding PTS almost 20 years ago, John has provided professional trustee services to a wide range of pension schemes facing a variety of different governance situations.

The safety of your benefits

The Trustee would like to reassure you that throughout the Regulator's investigation there has been no negative impact on the security of your benefits or on the day-to-day operation of the Fund, as the Regulator's involvement related purely to the governance of the Trustee Board. From 4th February the new trustee directors assumed responsibility for all day-to-day activities and forward planning in regard to all strategic matters and key decisions – with their absolute priority being to protect members benefits.

As highlighted in the Popular Reports which are issued annually to members, the funding level of the Fund has increased from 67% as at 31 March 2014 to 88% as at 31 March 2019.

Coronavirus update

The Trustee is also mindful of the Coronavirus (Covid 19) and the concerns that members might have about the impact this might have on their benefits. The Trustee is monitoring the impact of this situation with its advisers and we will report further on this in later communications.

In the meantime, should you have any queries regarding your benefits please contact Mercer via email at mnrpf@mercer.com or on the phone on 01372 200385

Yours sincerely

John Oldland
Trustee Director

On behalf of the Merchant Navy Ratings Pension Fund Trustees Limited