



➤ **Can you give us an overview of the Ensign Retirement Plan and what it does?**

The Ensign Retirement Plan is a modern, flexible defined contribution master trust designed specifically for the maritime industry. Set up in 2015, it is a not-for-profit plan so it's run in the interests of members, not shareholders, something we feel very strongly about.

As a multi-employer scheme the plan benefits from economies of scale that it can pass onto members, resulting in the plan having some of the lowest member charges in the pensions industry.

It also takes advantage of the pension freedoms introduced by the government in 2015, so members have complete flexibility over how, and when, they take their retirement pot. Good governance is something that I and my fellow trustee directors take very seriously, and the Ensign Retirement Plan already has Pensions Quality Mark and Master Trust Assurance accreditations and will apply for authorisation when the new master-trust regulations come into force later in 2018.

The plan is also suitable for auto-enrolment and is open to all employees of maritime industry employers.

➤ **How are its services tailored to members?**

At the heart of the plan is an experienced



Knowing the ropes

➤ **Theo Andrew speaks to Ensign Retirement Plan Trustee Limited member-nominated trustee director and Merchant Navy Officers Pension Fund vice-chair, Mike Jess, on the upcoming new master-trust regulations and how it plans to improve the scheme for its members**

team of trustee directors, and we all have many years of maritime experience, both from a career perspective and from being trustee director of other maritime pensions arrangements such as the Merchant Navy Officer Pension Fund (MNOPF) – an award-winning

defined benefit scheme established over 80 years ago. This means there are people at the heart of decision making who understand the challenges faced by maritime employers, and the needs of members, and act in their best interests.

The plan is set up to be flexible and

transferable – the maritime industry is characterised by a transient workforce and so, as an industry-wide scheme, the plan enables members to move employer but keep their pension in one place. The maritime industry also benefits from flexible and seasonal workers – the plan is designed to incorporate gaps in employment, ensuring a clean and continuous pension arrangement, rather than multiple pots in multiple funds.

➤ What are the challenges in 2018? And what initiatives is the scheme taking?

In 2018 the main challenge facing the Ensign Retirement Plan is the introduction of the new master trust regulations. Significant work, and cost, is required to apply and the timeframes are tight, particularly so as the final regulations and draft code of practice have yet to be published. Another focus for us in 2018 is compliance with the requirements of the General Data Protection Regulation (GDPR), which come into force on 25 May.

However, with change comes opportunity, and we have taken time to review the plan and can announce some exciting improvements for the 2018/19 scheme year. From 1 April the annual management charge on all funds, including the popular target date funds, will reduce by 0.05 per cent. This means the plan's default fund, the LifePath Flexi Fund, will have an annual management charge of just 0.31 per cent, one of the lowest in the pensions industry, providing even better value for money for members and ensuring they receive a cost-effective solution as they plan for retirement.

Over the scheme year we will be introducing in-scheme income drawdown, meaning members can remain within the plan to take income drawdown post retirement, and where they can continue to enjoy the exceptionally low annual management charge of 0.31 per cent and benefit from the high-quality governance they

have come to expect from the Ensign Retirement Plan.

We are very conscious that as members approach and reach retirement, they need help and support as they transition from their working life and so we will be offering specific third party guidance at this crucial time to help members make the most of their retirement savings. The plan also intends to allow members to utilise the pensions advice allowance to help members pay for financial advice from their retirement savings pot, should they wish to do so.

An ongoing challenge the plan faces is how to actively engage with employers and help them understand how important decent contribution levels are in providing good retirement outcomes for their employees. Employers face cost pressures, competition and the burden of auto-enrolment, so it is up to us to continually remind employers and employees what an appropriate level of pension contribution looks like and what a valuable tool a good pension can be in attracting crew and staff members, and retaining them. By reducing the member annual management charge from April, we are helping to ensure as much as possible of the employees hard-earned savings are invested for their future.

➤ What effect have the pensions freedoms had?

The plan was launched in September 2015, after the pension freedoms were introduced, so we were able to take full advantage of these freedoms from day one. Members have full choice over where their savings are invested, and how they take their pot when they come to retire.

Nevertheless, these freedoms mean members are faced with a plethora of options at retirement and we hope that the introduction of the guidance provision and ability to utilise the Pensions Advice Allowance will help members to make right choices at retirement, based on their own individual circumstances.

➤ How has the relationship with the regulator changed?

The maritime industry, like any other industry, has particular characteristics that make it unique. The trustee and its executive team continue to work closely with The Pensions Regulator to highlight the unique aspects of the Ensign Retirement Plan, in particular in relation to the Pension Schemes Act 2017 and the forthcoming introduction of the authorisation regime for master-trust arrangements.

This co-operation has taken various forms from face-to-face meetings, conference calls, letters and consultation responses to request that further consideration is given to certain aspects of the draft regulations. The executive team also participates in the master trust sub-committee of the Pensions and Lifetime Savings Association (PLSA) as well as the Non-Associated Multi-Employer Schemes (NAMES) group who have been involved in discussing the implications of the new regulations with The Pensions Regulator on a wider scale.

➤ Mike Jess

Mike Jess BEM is a member-nominated trustee director of Ensign Retirement Plan Trustees Limited and is currently vice-chair, a position he has held since May 2015. In other roles, Jess is the vice-chair of the MNOFP, is senior policy adviser of Nautilus International (and former assistant general secretary), trustee director of the Seafarers Hospital Society and former secretary of The Nautilus Welfare Fund. He is also a former trustee director of the Merchant Navy Welfare Board and Maritime Charities Funding Group, and former chair of the Maritime Education Trust. Jess was awarded the British Empire Medal in 2017 in recognition of his work in support of seafarer welfare services.

➤ Written by Theo Andrew