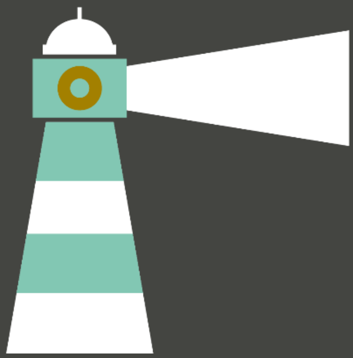
BRIEFING

TRAVERS SMITH

What's Happening in Pensions



Issue 80 – February 2020

IN THIS ISSUE:

GMP equalisation: HMRC has published a GMP equalisation newsletter which aims to provide guidance on some of the tax questions that have arisen following the Lloyds Banking Group case.

Pension Schemes Bill: A new Pension Schemes Bill was introduced in the House of Lords last month. In most respects it is identical to the one introduced shortly before the end of the last Parliament. Concerns have been raised about some aspects. A government amendment would impose new governance and disclosure duties on trustees in relation to climate change issues.

Pension protection levy – insolvency risk: The PPF has proposed changes to the calculation of insolvency risk scores for the purposes of calculating the pension protection levy for the 2021/22 levy year onwards. This will affect scores starting from April this year. The changes are expected to result in schemes of larger employers paying higher levies.

Adequacy of pension protection: The European Court has given its judgment in the Bauer case. It ruled that pension protection is not sufficient to comply with the EU insolvency directive if, as a result of the reduction of benefits, the individual is already living, or would have to live, below the at-risk-of-poverty threshold determined by Eurostat for the EU Member State concerned.

Trusteeship: The Pensions Regulator has published its response to its consultation on the "Future of trusteeship and governance". Its TKU materials will be revamped. Trustee boards will not have to include a professional trustee. An industry working group will help trustee boards with diversity and inclusion.

RPI reform: The government has announced that the forthcoming consultation on whether RPI reform can take place earlier than 2030 (but not before 2025) will now be launched with the 11 March 2020 Budget.

RPI pension increase rules: In two new cases, the High Court has considered the meaning of scheme pension increase rules that referred to the Retail Prices Index, where the employer wanted to initiate a change.

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IR35 – personal service companies: Some employers and pension scheme trustees will be affected by forthcoming legislation regarding the taxation of services provided by an individual via a personal services company.

Contents continued overleaf …

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National living wage: The government has announced that the National Living Wage (applicable to workers aged 25 and over) will increase by 6.2%, from 1 April 2020. It has also announced plans to extend the National Living Wage to cover younger workers. There are also increases to the National Minimum Wage for younger workers. These changes may affect schemes that operate salary sacrifice for employee contributions.

Marriage and civil partnerships in Northern Ireland: New Northern Ireland regulations allow same sex couples to form a civil marriage and opposite sex couples to register a civil partnership. The regulations allowed applications from 13 January 2020 but there is a 28 day period before the ceremony can take place.

GMP equalisation

HMRC has published a GMP equalisation newsletter which aims to provide guidance to schemes on some of the tax questions that have arisen following the High Court judgments in the *Lloyds Banking Group* case (see our briefing note GMP equalisation: court ruling).

The newsletter focuses on the tax implications of adjusting benefits by using Method C (the 'dual records' approach) from the *Lloyds* case. It covers the annual and lifetime allowance issues that can arise for members' pensions but not lump sums or death benefits. HMRC aims to give guidance in these latter areas as soon as possible.

As expected, the newsletter does address the tax implications of using GMP conversion (Method D2). HMRC says that it is continuing to explore these but gives no timescale.

HMRC's overarching approach is that a GMP equalisation pension increase is not treated as a new entitlement that accrues when it is applied. Rather, the right to the increase accrued when the benefit that is being equalised accrued, ie, in some or all of the period between 17 May 1990 and 5 April 1997. As such, an uplift does not count as new accrual that has to be tested against the annual allowance or that prejudices some forms of lifetime allowance protection. There do, however, have to be some adjustments to previous calculations, including benefit crystallisation event calculations, to reflect the fact that a higher benefit accrued than was originally understood to be the case.

Key implications of this approach are as follows:

Annual allowance

- Members who became deferred pensioners before 6 April 2006 (A-Day), who have not accrued benefit in the arrangement since then, remain outside the annual allowance regime for the purposes of the arrangement despite any GMP equalisation uplift under Method C.
- Other deferred pensioners, who are within the deferred member carve-out (DMCO), should remain within the DMCO for that arrangement, with GMP equalisation uplifts being covered by the relevant statutory increase percentage.
- HMRC considers that there is no need to revisit past annual allowance calculations for any members. Going forward, calculations will need to take account of the value of the uplifted benefit but this will feed into both the opening and closing values so the effect on future annual allowance input amounts should be neutral.

Lifetime allowance protections

- Individuals with enhanced or fixed protection will not lose that protection by reason of the GMP equalisation uplift.
- Individuals with primary or individual protection need to notify HMRC "without undue delay" of the higher value of their protected benefits.
- Late applications to HMRC for a lifetime allowance protection can be made where the GMP equalisation uplift means that an individual now qualifies for a protection when they did not before the uplift was applied.

Lifetime allowance and benefit crystallisation event (BCE) calculations

- GMP equalisation uplifts will generally increase the value of the benefit to be tested against the lifetime allowance when there is a benefit crystallisation event. Here, we are principally considering BCE2, which is when a scheme pension comes into payment after A-Day and before the member is aged 75.
- For pensioner members, historic BCE2 calculations will have to be corrected, using the value of the uplifted benefit in place of the pre-equalisation value, as at the time of the original calculation. This may result in a lifetime allowance charge (or a higher charge) becoming payable. HMRC says that scheme administrators (including trustees) should consider what process is appropriate to identify whether any uplift is likely to have resulted in a lifetime allowance charge.
- Going forward, annual BCE statements need to be updated. Accounting for Tax returns and Event Reports made to HMRC have to be amended to reflect the new figures. Individuals may have to correct previous self-assessment tax returns.
- HMRC reminds scheme administrators (including trustees) that they can apply to HMRC to have all or part of their liability for a lifetime allowance charge discharged.
- Where the pension came into payment before A-Day, there was no BCE2 calculation and so nothing needs to be done. If the individual had any later BCE2s after A-Day, these will be affected.

Income tax

- Schemes must apply PAYE income tax to arrears of pension. Individuals can apply to HMRC to have their income tax assessed on the basis of the pension having been paid when, following the *Lloyds* decision, it should have been paid (ie, 'spread back' to the previous relevant tax year).

Pension Schemes Bill

New Bill introduced

A new Pension Schemes Bill was introduced in the House of Lords last month. In most respects the Bill is identical to the one introduced shortly before the end of the last Parliament but there are a few minor changes.

As before, the Bill includes provisions on:

- DB scheme funding and investment strategy;
- new grounds and non-compliance penalties for contribution notices;
- new criminal offences, including for putting benefits at risk;
- new notifiable events and heavier penalties;
- transfer scam protections;
- pensions dashboards;
- collective money purchase benefits; and
- PPF compensation for transfer credits.

See WHiP Issue 78 for more detail of the original Bill's content.

Second reading debate

At the second reading of the Bill in the House of Lords on 28 January, the majority of debate concerned collective money purchase schemes and pensions dashboards but there were also strong views expressed on the proposed new criminal offences and about the number of delegated powers.

The concerns about the scope of the proposed criminal offences were raised by peers from all sides. They were about the potential criminalisation of ordinary business activities and the exposure in some circumstances of parties such as trustees, banks and trade unions. The government minister Baroness Stedman-Scott was pressed by several peers not to go beyond the originally proposed "wilful or reckless behaviour" offence.

Several peers commented on matters not in the Bill, including: DB consolidation; expanding and improving automatic enrolment; the tapered annual allowance and its effect on NHS staffing; the unfavourable tax treatment of low earners in "net pay" schemes (generally occupational pension schemes, including many master trusts); and the complaints of women in their fifties about raised state pension ages. On DB consolidation, the minister said that the government aims to publish its consultation response shortly.

The House of Lords committee stage will start on 24 February and continue into early March. Amendments to, among others, the criminal offences provisions are expected to be discussed.

Governance and climate change

A key amendment put forward by the government would give it power to impose requirements on occupational pension scheme trustees or managers "with a view to securing that there is effective governance of the scheme with respect to the effects of climate change". This may include requirements about:

"(a) reviewing the exposure of the scheme to risks of a prescribed description;

(b) assessing the assets of the scheme in a prescribed manner;

(c) determining, reviewing and (if necessary) revising a strategy for managing the scheme's exposure to risks of a prescribed description;

(d) determining, reviewing and (if necessary) revising targets relating to the scheme's exposure to risks of a prescribed description;

(e) measuring performance against such targets;

(f) preparing documents containing information of a prescribed description."

There would also be a requirement to publish information.

In a memorandum, the government explained that this amendment is designed to reflect recommendations of the Taskforce on Climate-related Financial Disclosures; DB and DC schemes are in scope; and the powers are not intended to direct schemes as to how they should invest.

Pension protection levy – insolvency risk

The PPF has proposed changes to the calculation of insolvency risk scores for the purposes of calculating the pension protection levy for the 2021/22 levy year onwards. This will affect scores starting from April this year. The changes are expected to result in schemes of larger employers paying higher levies.

Dun & Bradstreet (D&B) has replaced Experian as provider of insolvency risk services to the PPF. D&B will use largely the same approach as Experian to calculating insolvency risk scores but scores will be recalibrated to reflect experience of insolvencies in practice.

Schemes of the largest employers are expected to be particularly adversely affected. The PPF says:

> *"In terms of levy impact … a third of schemes see a similar amount of levy with almost a half of schemes seeing a lower levy. One in five of schemes see an increase in particular schemes with employers on scorecard 1. Currently, seven per cent seeing an increase of over 50 per cent – although some of these increases will reflect Experian having self-submitted data D&B don't yet have." (sic)*

There is a new portal where insolvency scores under the proposed new methodology can be checked, in order for schemes and employers to assess the impact. The first levy invoices to be calculated using D&B insolvency risk scores will be issued in Autumn 2021, based on scores beginning from April 2020.

Adequacy of pension protection

The Court of Justice of the European Union (CJEU) has given its judgment in *Pensions-Sicherungs-Verein VVaG v Günther Bauer*. It ruled that pension protection is not sufficient to comply with the 2008 EU insolvency directive if, as a result of the reduction of benefits, the individual is already living, or would have to live, below the at-risk-of-poverty threshold determined by Eurostat for the EU Member State concerned.

It had been thought, following the Advocate General's opinion in this case, that the CJEU might require benefits to be fully guaranteed. The result therefore has a very much smaller impact than could have been the case.

Facts: The case concerned the German pension protection system. Mr Bauer was promised pension benefits by his employer. One element was backed by a funded arrangement; two other elements were unfunded and unsecured. The funded arrangement experienced financial difficulties and, in accordance with German law, was allowed to reduce benefits. Mr Bauer's funded benefits were reduced by 13.8%, which represented €82.74 per month and a reduction of 7.4% of his total entitlement. Under German law, the employer was responsible for meeting the shortfall.

When the employer went insolvent, Pensions-Sicherungs-Verein (PSV, the German version of the PPF) stepped in to meet the unfunded pension obligations but not the reduction that the funded scheme had applied. Mr Bauer claimed that EU law required PSV to give him 100% compensation for his lost pension benefits.

Law and case law: Article 8 of the 2008 Insolvency Directive says:

> *"Member States shall ensure that the necessary measures are taken to protect the interests of employees and of persons having already left the employer's undertaking or business at the date of the onset of the employer's insolvency in respect of rights conferring on them immediate or prospective entitlement to old-age benefits, including survivors' benefits, under supplementary occupational or inter-occupational pension schemes outside the national statutory social security schemes."*

In *Hampshire v Board of the Pension Protection Fund* (2018) (see WHiP Issue 72), the CJEU ruled that that the protection required is an individual minimum guarantee that the affected employee or former employee will receive at least 50% of the value of their accrued pension entitlement. In another case, *Webb-Sämann* (2016), the CJEU had ruled that, even if the directive requires at least half of the employee's benefits to be guaranteed, that does not mean that, in certain circumstances, the losses suffered by an employee or former employee may not also be regarded as being manifestly disproportionate in the light of the obligation to protect the interests of employees.

The Advocate General had opined in the present case (see WHiP Issue 76) that he could not see any justification in the text of the Insolvency Directive for only requiring member states to guarantee 50% of an individual's entitlement. He recommended that the CJEU reconsider what the directive requires.

Decision: The CJEU found a way to stand by its previous decisions whilst clarifying what would be manifestly disproportionate, ie, inadequate protection.

It confirmed that the Insolvency Directive requires Member States to make provision for a former employee to receive, in the event of the insolvency of his or her employer, at least half of the pension scheme old-age benefits. However, in certain circumstances the losses suffered may still be regarded as being manifestly disproportionate. In those cases of 'manifestly disproportionate' losses, a higher level of protection should apply.

The Court decided that the objective being pursued by the directive was to offer protection in circumstances which represent a threat to the livelihood of an employee and their family. It therefore ruled:

> *"Article 8 of Directive 2008/94 must be interpreted as meaning that a reduction in the amount of occupational old-age pension benefits paid to a former employee, on account of the insolvency of his or her former employer, is regarded as being manifestly disproportionate, even though the former employee receives at least half of the amount of the benefits arising from his or her acquired rights, where, as a result of the reduction, the former employee is already living, or would have to live, below the at-risk-of-poverty threshold determined by Eurostat for the Member State concerned."*

The latest Eurostat figures appear to be those quoted here.

The decision does not directly affect DB pension schemes: the action points arising from it are for the PPF.

Trusteeship

The Pensions Regulator has published its response to its consultation on the "Future of trusteeship and governance" (see WHiP Issue 76). This says that:

- An industry working group on diversity and inclusion (D&I) will be established, to help schemes to improve in these areas, but trustee boards will not be subject to D&I reporting requirements.
- There will not be a requirement for trustee boards to include a professional trustee.
- The Regulator will be updating and improving its trustee knowledge and understanding (TKU) code of practice and guidance. This will follow the Regulator's consolidation of its currently separate codes into a single web-based code. The Trustee Toolkit will be reviewed, with a consultation expected in early 2021. There will be a range of methods for trustees to demonstrate TKU but no requirements for formal qualifications or minimum CPD hours.
- There will be an industry code of practice for sole trusteeship, supported by the Regulator.
- The Regulator will continue to work, including with the government, on issues that restrict DC consolidation.
- The Regulator will remind employers about the requirement to allow trustees time off work for trustee duties and training.

RPI reform

The government has announced that the HM Treasury/UK Statistics Authority consultation on whether RPI reform can take place earlier than 2030 (but not before 2025), originally expected last month, will now be launched with the 11 March 2020 Budget. The consultation will close on 22 April and there will be a response before the Parliamentary summer recess.

See WHiP Issue 78 for background.

RPI pension increase rules

In two new cases, the High Court has considered the meaning of scheme pension increase rules that referred to the Retail Prices Index, where the employer wanted to initiate a change:

- ***Atos IT Services UK Ltd v Atos Pension Schemes Ltd***

  In this case, the pension increase rule referred to "the general index of retail prices (all items) published by the Office for National Statistics" (ONS) and allowed a change "where that index is not published". The judge held that this meant the Retail Prices Index (RPI) and will continue to do so for so long as RPI is published by the ONS for any purpose. This was notwithstanding changes in RPI's composition and that the ONS had recognised that it is not a good measure of price inflation.

- ***Britvic plc v Britvic Pensions Ltd and Mohun***

  In this case, the pension increase rule stated that increases are in line with RPI increases, subject to a cap each year of either 5% or 2.5% (depending on the period of service) "or any other rate decided by the principal employer". After considering the legislative background regarding minimum pension increases, the judge decided in the specific circumstances of this case that "any other rate" should be read as meaning "any higher rate". Britvic is seeking permission to appeal.

Money laundering

The government has consulted on the registration of trusts with the Trust Registration Service (TRS) in light of the EU Fifth Money Laundering Directive. It appears that there will not be new pension scheme registration requirements.

Paragraph 3.16 says:

> *"Registered pension schemes held in trust are already subject to regulation by either the Financial Conduct Authority or the Pensions Regulator. There are also income tax controls on sums going into and out of the fund, and the benefits that can be provided by the funds. These controls reduce the risk of them being used for money laundering and terrorist financing and it is therefore proposed that they are not in scope for registration. Pension scheme trusts that are not registered with HMRC on 'Pension Schemes Online' or 'Manage and Register Pension Schemes' will be required to register on TRS."*

This would mean a continuation of the existing approach for registered pension schemes, introduced following the Fourth Directive – see WHiP Issue 71.

Company voluntary arrangements

The Pensions Regulator has published a regulatory intervention report in relation to Arcadia Group Limited. It says that its purpose is to highlight what it expects of employers in company voluntary arrangement (CVA) scenarios, and to educate the industry on the principles against which it assesses CVAs.

CVAs are binding arrangements made by a company with its creditors, under the supervision of an insolvency practitioner, to restructure corporate liabilities in order to allow the company to avoid insolvency. DB pension scheme trustees are among the creditors entitled to vote in a CVA and can often have a significant say in the outcome. The Pensions Regulator is concerned that any CVA should not prejudice scheme members or the Pension Protection Fund.

The Regulator encourages early engagement, which was the case with Arcadia. It says that where the circumstances are similar to those in which a regulated apportionment arrangement (RAA) might be sought, as they were in this case, it will assess the proposals in line with the principles listed in its 2010 statement on RAAs. In doing so, it will work closely with the PPF. These principles are:

- whether the insolvency of the employer would otherwise be inevitable;
- whether the scheme might receive more from an insolvency (cash contributions and/or security can help the Regulator to conclude that it would not);
- whether a better outcome might be attained for the scheme by other means, including the use of the Regulator's powers;
- the position of the remainder of the employer group, where there is a group; and
- the outcome of the proposals for other creditors (ie, equitable treatment – the scheme should generally not be treated worse than other creditors).

The Regulator says that, following a CVA, it may be appropriate for trustees to have corporate monitoring and company board observer rights, as well as for there to be restrictions on value leakage from the covenant supporting the scheme. It adds that a case such as Arcadia highlights the importance of regular monitoring by trustee boards as well as ensuring they have adequate communication channels and information-sharing procedures. Furthermore:

> *"Good forward-looking visibility of a scheme's employer, along with an understanding of the implications of refinancing and the position of other creditors and financial stakeholders, is key if trustee boards are to react swiftly and effectively. Trustee boards will likely require restructuring expertise within their skills set in these scenarios. If necessary this may involve appointing an additional, suitably qualified trustee and/or seeking appropriate independent advice. It may be necessary for additional trustees/advisers to be retained beyond the CVA challenge period."*

Parental bereavement leave

The government has announced that working parents who suffer the loss of a child under the age of 18 (including stillbirths after 24 weeks of pregnancy) will be entitled to two weeks' statutory leave. The changes will take effect from 6 April 2020.

Parents will be able to take the leave as either a single block of two weeks, or as two separate blocks of one week each taken at different times across the first year after their child's death.

Those employed in a job for six months or more will also be able to claim statutory pay for this period, in line with the approach for other parental entitlements, such as paternity leave and pay.

It appears that the pensions treatment of parental bereavement leave will be the same as for, for example, paternity leave.

IR35 – personal service companies

Some employers and pension scheme trustees will be affected by forthcoming legislation regarding the provision of services via a personal services company (PSC). Details of the new rules are expected to be confirmed very soon.

A PSC is a vehicle through which individuals provide their services as a company, rather than in a personal capacity. This can have tax and National Insurance contributions (NICs) advantages. Under existing rules, income tax and NICs are nonetheless payable if the individual would be considered the client's employee or office holder for tax purposes, if he/she were engaged directly by the client without the existence of the PSC arrangement. The responsibility for determining this status currently rests with the PSC and the PSC is responsible for paying applicable taxes and any NICs.

The new rules will pass some or all responsibility to the PSC's client (ie, the firm to which the PSC is providing services) and/or the PSC's fee-payer (ie, the firm responsible for paying the PSC directly - which may or may not be the same entity as the client), in respect of services provided on or after 6 April 2020. The client will have to prepare a "status determination statement" in respect of each PSC arrangement. If it determines that the individual (if engaged directly) would be an employee or office holder for tax purposes but for the PSC, then the fee-payer will have to deduct income tax and employee NICs from fees (net of VAT) paid to the PSC and account for them to HMRC under PAYE. The fee payer will also be responsible for paying employers' NICs (and where relevant the apprenticeship levy). VAT rules still apply to the charges for the services.

These rules already apply to public authorities receiving services through PSCs but the new rules will bring medium and large sized private sector clients into scope. There is an exemption for small private sector clients.

The status determination does not have any effect on the status of the individual for automatic enrolment purposes, unless the PSC arrangement is ended and the individual is engaged directly.

Our Incentives & Remuneration and Employment departments have produced this guide.

Employers with services provided to them by PSCs need to take action before 6 April. Pension schemes may be affected if a professional trustee or anyone else provides services via a PSC. In some cases, depending on payment arrangements, there may be a question of whether the PSC's client (and/or fee-payer) is the trustee or the employer.

Automatic enrolment thresholds

The Pensions Minister has made a written statement detailing the automatic enrolment thresholds that will apply from April 2020:

- The earnings trigger will remain at £10,000 pa.
- The qualifying earnings band will be £6,240 pa (increased from the current £6,136 pa) to £50,000 pa (no increase). This continues the practice in recent years of matching the lower and upper earnings limits for National Insurance contributions.

GMP indexation judicial review case

The Court of Appeal has upheld the High Court's ruling (see WHiP Issue 74) rejecting BT's application for judicial review of the government's decision that public service pension schemes will provide top-up GMP indexation for members retiring since 6 April 2016 (when the state pension was reformed). That decision has had a knock-on effect on the BT Pension Scheme.

This additional indexation of the GMP is being provided by public service schemes, at least until April 2021, as a substitute for a lost state pension increase for individuals who reach state pension age (SPA) after 5 April 2016.

The increases that schemes are required to apply to an individual's GMP are less generous than those that would have applied to their State Earnings Related Pension Scheme (SERPS) pension (which, very broadly, the GMP otherwise mirrors) if the individual was not contracted-out. Contracted-out members who reached SPA before 6 April 2016 generally receive top-up increases from SERPS to make up the difference. Those who reach SPA after 5 April 2016, however, miss out on that top-up because they are not entitled to any pension under the old state pension system and no credit is given for the top-up increases when calculating their single tier state pension under the new system.

The government's decision in relation to the Principal Civil Service Pension Scheme (PCSPS) has had a knock-on effect (with an estimated £120 million cost) for Section B the BT Pension Scheme, which is required by its rules to mirror PCSPS increases.

Other schemes, particularly those with a public sector background, may have the same issue, depending on how their increase rules are drafted.

Ethical veganism

An Employment Tribunal has given a ruling in an unfair dismissal case that ethical veganism is a "philosophical belief" for the purposes of the Equality Act 2010 and so falls within the Act's "religion or belief" protected characteristic. Following the publicity that the case has attracted, pension scheme trustees may be asked by members to introduce a suitable DC investment option, if one is not already available.

The Tribunal's decision has not been published, so the following is based on press reports.

The decision was a preliminary ruling in an unfair dismissal claim. Jordi Casamitjana was dismissed by the League Against Cruel Sports after publicising to colleagues that its pension scheme invests in firms connected with animal testing. The contract-based scheme offered an ethical fund that Mr Casamitjana selected. This had previously been the default fund but the employer changed the default fund and left the ethical fund as an option only. The employer did not contest the claim that ethical veganism (which is a very particular set of personal values) is a philosophical belief but a ruling was given that it is. The employer will assert that the dismissal was for gross misconduct and not because of the individual's beliefs.

Employment Tribunal decisions are not binding precedents, even in other Employment Tribunal cases. Given that the employer did not contest the issue, it may not have been thoroughly explored. Nor will there be an appeal.

Previously, many schemes will have considered whether a Sharia-compliant fund should be offered. As a religious belief, Islam is certainly a protected characteristic under the Equality Act.

Trustees and scheme providers will be interested in whether they have to consider offering a suitable investment option for ethical vegans for similar reasons. For the reasons given above, the position is not entirely certain. Clearly, if it is right that discrimination against ethical vegans is unlawful then trustees could face successful discrimination claims if they did not offer a suitable option or options for any ethical vegan who has asked. The rise of veganism, including ethical veganism, may also now be brought up as a factor in ESG investment discussions.

Time limit for part-timer claims

In *Miller and others v Ministry of Justice*, the Supreme Court upheld an appeal by part-time judges who argued that the limitation period for bringing claims of less favourable treatment under the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 had not started to run until they retired. The government had argued that the three month period started to run when a period of part-time service ended.

Most schemes have long since addressed their obligations with regard to historically excluded part-time workers. This decision, however, may mean that some part-timers' claims that might have been thought to have expired can still be brought.

National Living Wage

The government has announced that the National Living Wage will increase by 6.2%, from £8.21 per hour to £8.72, from 1 April 2020. It says that 2.8 million workers will benefit. It has also announced plans to extend the National Living Wage to cover workers aged 23 and over from April 2021, and to those aged 21 and over within five years. It says that this is expected to benefit around 4 million low paid workers. The National Living Wage applies to workers aged 25 and over.

Workers under age 25 are entitled to the National Minimum Wage, which is currently between £3.90 and £7.70 per hour (dependent on age) and which will rise by varying amounts.

This may be relevant to employers as regards their pension arrangements if they use salary sacrifice for pension contributions. It is illegal to pay workers less than the National Living Wage/National Minimum Wage (as applicable) and salary sacrifice in some cases has to be disapplied or limited in order to ensure that statutory minimum wages are paid. The larger than usual increase means that more workers than usual may be affected.

Marriage and civil partnerships in Northern Ireland

The Marriage (Same-sex Couples) and Civil Partnership (Opposite-sex Couples) (Northern Ireland) Regulations 2019 allow same sex couples in Northern Ireland and under Northern Ireland law to form a civil marriage and opposite sex couples to register a civil partnership. They provide such couples with associated rights and entitlements, ensuring that these relationships are recognised in Northern Ireland law. The regulations allowed applications from 13 January 2020 but there is a 28 day period before the ceremony can take place.

FOR FURTHER INFORMATION, PLEASE CONTACT

Daniel Gerring
Head of Pensions
daniel.gerring@traverssmith.com
+44 (0)20 7295 3341

Susie Daykin
Partner
susie.daykin@traverssmith.com
+44 (0)20 7295 3247

David James
Partner
david.james@traverssmith.com
+44 (0)20 7295 3087

Andy Lewis
Partner
andrew.lewis@traverssmith.com
+44 (0)20 7295 3444

Dan Naylor
Partner
dan.naylor@traverssmith.com
+44 (0)20 7295 3454

Paul Stannard
Partner
paul.stannard@traverssmith.com
+44 (0)20 7295 3270

10 Snow Hill | London EC1A 2AL | T: +44 (0)20 7295 3000 | F: +44 (0)20 7295 3500 | www.traverssmith.com