

What is an IDRП?

IDRП stands for Internal Dispute Resolution Procedure. It is the procedure which allows actual and potential plan beneficiaries to raise a complaint with the plan's trustees about matters relating to that plan.

What Are the Consequences of Failing to Comply?

Every trust-based plan must have an IDRП unless it falls within an exemption (for example, if the plan has no more than one member). Failure to implement an IDRП can result in a fine of up to £5,000 per individual trustee and £50,000 per corporate trustee.

This requirement falls on plan trustees – not the employer.

What Should the IDRП Cover?

Generally speaking, the plan trustees have a wide discretion to include in the IDRП the information that they think is appropriate. However, the IDRП must include the following information:

- The process for bringing an IDRП complaint
- The information to be included in any complaint
- The manner in which decisions will be reached and notified to the complainant.

Should it be a One Stage Process or Two?

An IDRП can be either a one or two stage process. If it is a one stage process, the decision must be made by the trustees of the plan. If it is a two stage process, the first stage decision can be made by someone nominated by the trustees, for example the plan secretary. If an individual appeals a first stage decision then the second stage decision must be made by the trustees. An example IDRП process is set out overleaf.

Do I Need to Tell Members About it?

Yes – members need to be provided with details about a plan's IDRП and it is good practice to also inform members of any material changes to the policy.

Who Can Make a Complaint?

It is not just plan members who can use a plan's IDRП; however, the complainant must have an interest in the plan and can include (amongst others):

- An actual or prospective member of the plan
- A widow, widower or surviving civil partner of a deceased member of the plan
- A beneficiary of a deceased member of the plan

When Can a Complaint be Made?

The IDRП can include time limits for making complaints and must state a reasonable period for making complaints after an individual has ceased to have an interest in the plan. The Pensions Regulator's guidance states that this should be six months but that trustees may accept complaints outside this time limit if there are good reasons for doing so.

If there are court or tribunal proceedings in progress in relation to the matter being complained about, or the Pensions Ombudsman has started an investigation, it is not possible to also raise a complaint under the plan's IDRП.

When Can the IDRП Not be Used?

A complaint made under a plan's IDRП will be between the complainant and the plan trustees and must relate to a matter connected with the plan. Any disputes with the employer should not be dealt with under the plan's IDRП.

If you have any concerns about whether a complaint should be considered under the plan's IDRП please seek legal advice.

Are There any Timescales I Need to Comply With Once a Complaint is Received?

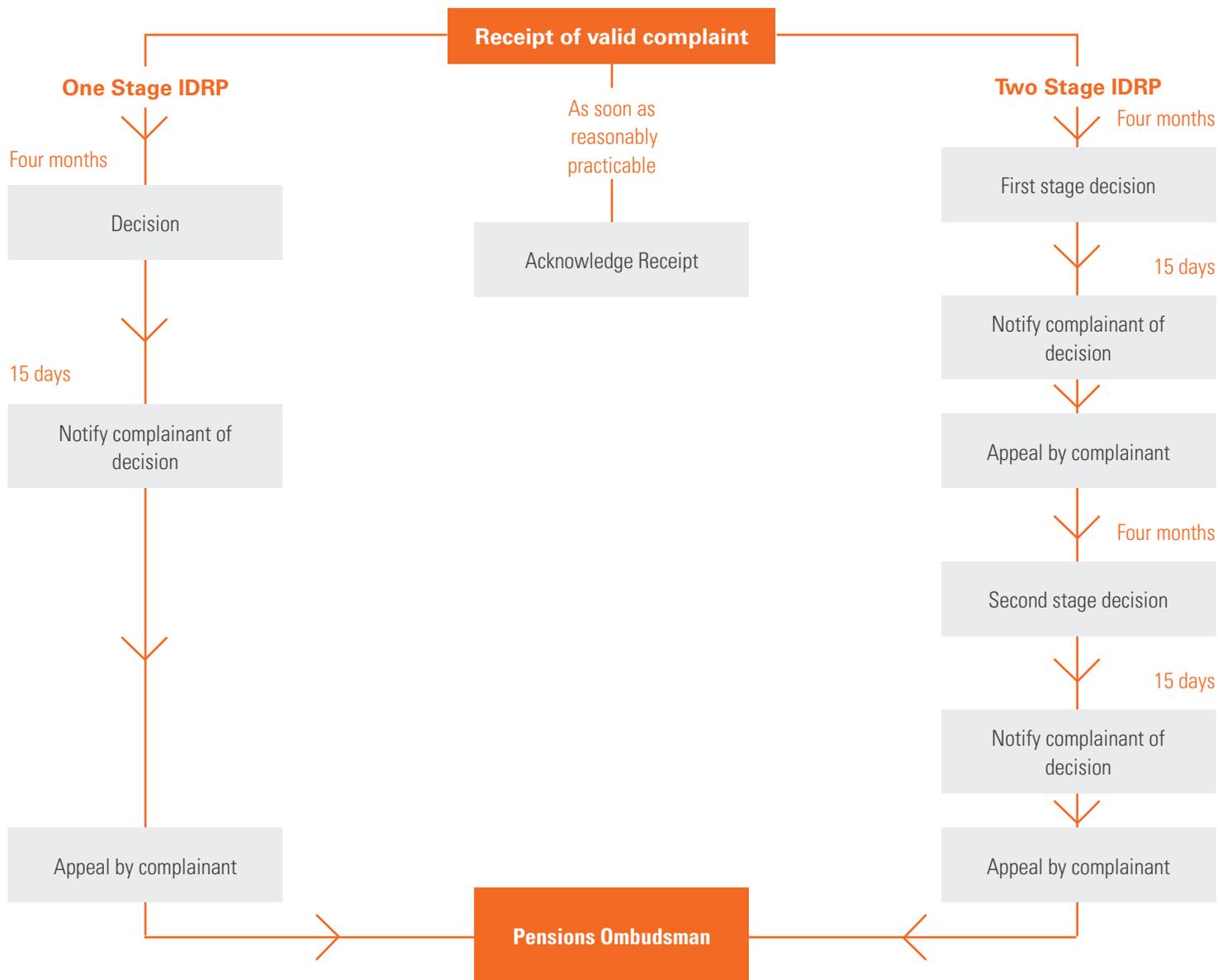
Decisions must be reached within a reasonable period which the trustees can set themselves. However, the Pensions Regulator expects decisions to be made within four calendar months of receiving the complaint (at either stage one or stage two) and that trustees should notify complainants of all decisions within 15 working days of reaching that decision.

Is There Any Specific Information I Need to Include in the Decision?

Before even reaching the decision stage, as soon as reasonably practicable after a complaint is received, the trustees should tell the complainant that the Pensions Ombudsman is available to provide him with free and independent assistance in connection with complaints and disputes which concern the administration and/or management of occupational pension schemes and should provide contact details for The Pensions Ombudsman.

When notifying a complainant of the trustees' decision, the contact details of the Pensions Ombudsman should be included again. In a two stage process, this relates only to the second-stage decision.

It is not a legal requirement to include details of the reasons for the decision but trustees often find this preferable. In particularly difficult cases, trustees should seek legal advice as to how much detail to provide.



Some Practical Points

Do...	Don't...
Do consider the use of a sub-committee for the first stage of a two stage IDRP process	Don't delay in gathering information and evidence as soon as possible
Do encourage complainants to resolve any disputes informally, by providing information and assistance in understanding benefits in a timely and user-friendly manner	Don't inadvertently commit a data breach, for example by disclosing to a complainant the identity of the recipient of a lump sum death benefit

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