



March 2022

Dear Member

**Merchant Navy Ratings Pension Fund (the “Fund”)
Settlement of the case about ill-health early retirement benefits – now approved by the High Court**

This letter is for information only. You do not need to reply.

If you think you are affected, then keep your records safe.

If you have changed address it's important that you let the Trustee know.

The Trustee of the Fund is pleased to report significant progress has been made and would also like to thank members for their patience whilst this highly complex matter has been worked through.

High Court hearing – 24 February 2022

We wrote to you in early February to tell you that a revised settlement was close to being agreed in relation to the High Court case relating to the ill-health early retirement (“IHER”) benefits paid by the Fund and whether certain members had been underpaid. We also provided updates about the settlement and the hearing since that letter on the member website: www.mnrpf.co.uk

We are writing now to tell you that the revised settlement was approved by the Judge at the hearing that took place on 24 February 2022.

Background

The parties to the settlement are: (a) Stena Line Limited representing the employers (and parties with aligned interests), (b) two individuals representing the members/beneficiaries who may stand to receive additional or greater IHER benefits, and (c) the Trustee. The Trustee took a neutral position about the benefits under the settlement throughout the settlement negotiations between the representative parties.

You may recall that in August 2021, the Trustee wrote to members and explained the settlement which had been reached between the parties. A copy of that letter is available on the members website on the following page: www.mnrpf.co.uk/docs/MNRPF_Member_Pre_Approval_letter_FINAL_updated.pdf

The previously agreed settlement terms have now been updated to take account of the newly identified historical issues. However, no changes have been made to the details previously provided about the members who may be eligible or the process to consider claims.

In line with the process explained in the August 2021 letter, the settlement was considered for approval by a Judge at a hearing. This took place on 24 February 2022 before Mrs Justice Bacon DBE.

The Judge heard arguments from the various parties about whether the settlement should be approved. After considering the matter, the **Judge has made an order approving the settlement, as they considered that it was in the overall interests of the members/beneficiaries and employers.**

This means that the settlement is now legally binding on all the members/beneficiaries and the employers and the Trustee can move forward with implementing it.

You can read the judgment of the Judge on the member website.

A copy of the very lengthy and complicated settlement agreement can be viewed on the Benpal section of the member website. You will need to log into this section to access this document. If you need assistance accessing the site or would like a paper copy (if you are unable to or do not wish to access the agreement through Benpal), please call Mercer on the freephone number below who can take you through the steps.

Who might be affected by the settlement?

The settlement will only benefit certain categories of members and, if they have died, their spouse/civil partner and/or their respective estates.

In summary, increased benefits and/or payments may only be given under the settlement to certain members who:

- **retired on an IHER pension on or after 1 November 1989 and before 8 October 1993; or**
- **were in service (or, potentially, were in between ships) on 8 October 1993 and had sufficient service that qualified members for benefits in the Fund on that date and would have been eligible for an IHER pension when leaving service, had an IHER pension still been available after that time.**

As part of the settlement, the Fund will also be administered as if certain other groups of members with IHER pensions had always been entitled to their IHER benefits under the legal rules governing the Fund. Further details were included in the August letter – see the link to this above.

Even if you do fall into one of these categories, **it does not mean that your benefits will necessarily increase or that you will receive a payment** as this will depend on each member's specific circumstances, and these greatly vary from member to member.

Process for implementing the settlement

If we believe that you could potentially be eligible to receive a payment or additional benefits under the settlement, we will write to you to explain what will happen, and anything that you need to do.

Depending on your circumstances, we may need you to provide us with certain information and documents.

There is no need for you to do anything at this stage to register or make a claim (apart from making sure that Mercer has your up-to-date contact details) – we will contact you.

If you retired on an IHER pension on or after 1 November 1989 and before 8 October 1993

In total about 1650 members retired in ill health in this period. The files for these members have been reviewed and about 600 members have been identified as potentially qualifying for compensation under the settlement because:

- they had an IHER pension that was scaled back on retirement; and / or
- their IHER pension was reviewed after it came into payment and as a result it was reduced or suspended.

Please note that not all pensioners who retired on IHER between 1 November 1989 and 8 October 1993 in this situation will receive an increase. It will depend on whether they have suffered any loss.

If your IHER pension was never scaled back at the outset and/or was not later reviewed (leading to a reduction or suspension), then you will not be eligible. This is the position for about 1,050 pensioners who received an IHER pension. They will not receive any compensation under the settlement.

Mercer expect to write to the members (and those claiming through them), who are due compensation under the settlement, within the next two months – to explain how they are affected, and with an indication of any increase to the pension being paid and any arrears owed along with interest.

If you were in service on 8 October 1993 and would have been eligible for an IHER pension when leaving, had it been available at that time

Within the next two months, Mercer also expect to issue details of how to claim an IHER pension to those members in this category (and those claiming through them) who may be affected. Details of the claims process and requirements will be included with that letter.

Once claims have been sent in, the claims will then be assessed to determine:

- if they satisfy the various requirements for an IHER pension under the settlement, **and, if they do;**
- to check that the IHER pension is a more valuable benefit than the normal Fund pension benefits the claimant would otherwise receive.

It will only be in these circumstances that compensation will be paid under the settlement.

Warning – fraudsters and claims companies

Please see sections 8 and 9 of the August 2021 letter (link on page 1) about avoiding scammers and claims handlers

Updates

The Trustee will also add updates about the process to the members' website at: <https://www.mnrpf.co.uk/>

Records

The key thing that you need to do now, if you are not in receipt of an IHER pension, but you think you might be affected, is keep safe any relevant records that you have.

In summary, the Trustee strongly recommends that, where possible, if you were in service on 8 October 1993 (even if you were in between ships on that date), you retain any medical and employment history and/or details about your past health. This is particularly around the time of leaving Merchant Navy service as a rating. If you are incapable of doing so or are the survivor of a member who was in service on 8 October 1993, the Trustee recommends that the family/survivors/estates of the member retain any relevant details and/or records.

Please see Section 20 of the August 2021 letter for more details about what records to keep (link on page 1).

What if the member has died?

Where the relevant member has died, the settlement provides for a spouse or civil partner in receipt of a pension in respect of that member to be eligible for a payment and/or increased benefits in their own right (where applicable).

The settlement also provides for the Trustee to accept claims from the personal representatives of a deceased member, so that payments can be made to their estate.

The Trustee does not have contact details for everyone who may benefit from the potential settlement. In particular, if the member has died, then their estate can still benefit and you may know who their personal representatives or survivors are.

If you know any member who left service after 8 October 1993 because they were permanently unfit for further sea service, or if they have died, their personal representatives or survivors, then please suggest to them that they contact Mercer. If the member has died, you can provide their name and any contact details for them or their personal representatives to Mercer (no other personal information please). Mercer's contact details are below.

The Mercer helpline

If you would like more information about the settlement, you can call our trained helpline agents on the freephone helpline below. This is a dedicated phone line for this case.

➤ **Helpline freephone number: 0800 197 6923**

The helpline agents are only able to explain the settlement in general terms as described in the August 2021 letter at the link above. They are not able to provide any views or advice about the expected outcome in your particular case e.g., whether you will qualify and, if so, what compensation you might receive.

The helpline is open 8:30am – 5pm Monday to Friday, but we can also arrange to call you outside those hours if necessary.

You can also write to us or email us at the address below. Again, we are not able to provide any views or advice about the expected outcome in your particular case.

Our address for enquiries by post is:

Merchant Navy Ratings Pension Fund
c/o Mercer Employee Benefits
Post Handling Centre U
St James's Tower
7 Charlotte Street
Manchester
M1 4DZ

Our email address for enquiries is: mnrpf.mailings@mercerc.com

Yours faithfully,

The Merchant Navy Ratings Pension Fund Trustees Limited

This document summarises certain terms of the settlement agreement. The terms of the settlement agreement will however prevail including if there is any inconsistency between this document and the settlement agreement.