

A quick guide for

public service pension board members

This short introductory guide will help you to become familiar with your role as a member of a public service pension board.

You will play an important part in the governance and administration of public service pension schemes. Scheme members will benefit from the work you do in helping to ensure that their scheme is well managed.

The issues that you will consider as a pension board member may be sensitive and complex. You should carry out your duties with the utmost care and attention.

Your role and responsibilities

Your role as a pension board member will be to assist your scheme manager in ensuring that the scheme complies with legislation relating to its governance and administration, its own rules and any requirements of The Pensions Regulator. If your scheme regulations specify additional responsibilities for your pension board, these will be communicated to you by, or on behalf of, the scheme manager.

The scheme managers are:

- ▶ the administering authorities in the local government scheme
- ▶ the chief police officers, and various others, in the police scheme
- ▶ a fire and rescue authority board
- ▶ a relevant minister or secretary of state
- ▶ a Northern Ireland department

Scheme management

To assist you with your role and responsibilities as a pension board member you may require information from the scheme manager, administrator or advisers. You should only make a decision or come to a conclusion once you feel you have received all the information you need.

In local government pension schemes which have investment funds, the scheme manager will be responsible for administering, investing and managing the pension fund, and may delegate these responsibilities to a committee, an officer or an investment manager (as appropriate). It is probable that the pension board will not share these responsibilities directly, but will check that the scheme manager (and those with delegated responsibilities) complies with scheme regulations and other legislation relating to the governance and administration of the scheme.

Knowledge and understanding

The law requires you to have knowledge and understanding of relevant pensions law, and to have a working knowledge of your scheme regulations and documentation. Your responsibilities begin from the day you first take up your post, so you should start to familiarise yourself with the scheme documents and regulations as soon as possible. Finding time to gain this knowledge may be a challenge, but you will need to do so in order to meet the legal requirement and carry out your role.

Training is an important feature of a well-run scheme. We provide a free online learning programme for public service pension schemes. Our 'Public service toolkit' provides information and education on key legal requirements for public service pension schemes and our code of practice. We recommend that pension board members complete our educational material, or an alternative programme covering the same topics to the same depth. The toolkit can be found at www.pensionseducationportal.com.

The role of a pension board member is different from that of a trustee in a trust-based pension scheme. It is important you understand the difference between pension board members and trustees because some training and guidance on pensions governance is aimed at trustees and may not be entirely relevant to pension board members.

Reporting breaches

If you believe you may have detected a breach of any duty imposed by law, you should immediately follow your scheme's procedure for considering whether this needs to be reported to The Pensions Regulator and to the scheme manager.

Conflicts of interest

You must provide the scheme manager with any information required so that they can be satisfied that you do not have conflicts of interest. If you become aware of a potential conflict of interest involving yourself or another pension board member or prospective member, you should ensure that the scheme manager is aware of this. Anyone with a conflict of interest may not be appointed to pension boards and may be required to resign if they are already members of the board.

Help from The Pensions Regulator

Our website provides guidance and learning resources to help you carry out your role. See www.tpr.gov.uk/publicservice.

You should become familiar with our code of practice for public service schemes, which provides further guidance on governance and administration. It can be found at www.tpr.gov.uk/code14.

Other sources of help

Other sources that may provide information or assistance to pension boards include the following:

- ▶ Scheme advisory boards may provide advice to the local government, firefighters' and police schemes on the effective and efficient administration and management of their scheme and any pension fund of the scheme.
- ▶ Employer associations, such as the Local Government Association and the NHS Confederation, may provide information and assistance to employer representatives.

- ▶ Trade unions and the Police Federation may provide information and assistance to member representatives.
- ▶ The Chartered Institute of Public Finance and Accountancy (CIPFA), a public finance accountancy body, is active in the local government pension schemes, providing advice and setting standards – see www.cipfa.org.
- ▶ The Pensions Advisory Service (TPAS) attempts to resolve disputes which scheme managers and trustees have failed to resolve. It also provides free information on pensions governance – see www.pensionsadvisoryservice.org.uk.
- ▶ Pensions Management Institute (PMI) provides a range of professional qualifications and training for pensions professionals – see www.pensions-pmi.org.uk.
- ▶ Pensions and Lifetime Savings Association (PLSA) represents funded pension schemes and their advisers. It also provides pension training courses – see www.plsa.co.uk

Feedback

We are interested to hear your thoughts on the information we have available for pension board members – including this guide.

Let us know what you think by emailing us at pspsr@tpr.gov.uk

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