



Trustee director's job description.

Being a director of the Trustee – what does it mean?

1 What is the Trustee?

OSPS Trustee Limited is the corporate trustee (the "Trustee") of the University of Oxford Staff Pension Scheme (the "Scheme") and is responsible for the proper running of the Scheme which is carried out in its name – from the collection of contributions to the investment of assets and payment of benefits. The Trustee is run by its directors who have a shared responsibility to ensure the proper running of the Scheme. Scheme members look to the Trustee to make sure that the Scheme is well run and that their benefits are secure.

This is a great responsibility, but help and advice are available from a range of sources, including your fellow directors, the Trustee's professional advisers, University Pensions Office staff and the Pensions Regulator.

Much of the detail work has been delegated to administrators and professional managers. The Trustee must obtain regular reports from these managers to oversee the management of the Scheme.

If you are considering becoming a director of the Trustee, you need to understand some basic details about pensions, trustees and the legal framework surrounding occupational pension schemes.

2 Working with the employer

The Trustee and the employer both have a vital role to play in the proper running of a pension scheme. They need to form and maintain a good working relationship. Regular consultation is important; and in some circumstances the law requires the Trustee to consult.

This Scheme is a multi-employer scheme with a Principal Employer (the University) and some 46 active associated participating employers. The associated participating employers have all agreed that the University will act as the "employer" on their behalf. Nevertheless, it is a matter of good practice that all the employers are consulted on key items.

3 Trustee learning

Pensions legislation requires the Trustee and its directors to have knowledge and understanding of the law relating to pensions and trusts, the principles relating to the funding of occupational pension schemes and the investment of scheme assets. The Trustee's directors are also required to be conversant with the Scheme's policy documents. The Pensions Regulator takes the phrase "conversant with" to mean having a working knowledge of those documents such that the Trustee's directors are able to use them effectively when carrying out their duties as directors of the Trustee.

It is important that each director of the Trustee understands and develops their knowledge of the role of a director of the Trustee as this will help the Trustee to perform its role effectively.

The Secretary to the Trustee can help with this through an initial briefing, an introduction to the Pensions Regulator's "trusteetoolkit" on-line tool and arranging specialist training to help each director of the Trustee undertake the role more effectively.

The Secretary also arranges regular training ahead of each Trustee meeting.

4 Fiduciary duties of the Trustee

Many of the duties of the Trustee arise from trust law. These are "fiduciary" duties, which means that when they are carried out the Trustee must always act in the best interests of the scheme beneficiaries. Each director will owe statutory and fiduciary duties to the Trustee itself.

5 Keeping the Pensions Regulator informed

The Pensions Regulator needs clear and open communication with the Trustee. The Trustee has to provide the Regulator with information at particular times and in particular circumstances. The information the Trustee provides helps the Regulator to perform its role effectively.

6 Trustee liability

If something goes wrong, the Trustee may be liable for any loss caused to the Scheme as a result of a breach of trust. However, there is some protection, depending on the nature of the breach.

Clause 9 of the Trust Deed of the Scheme provides significant protection to the Trustee where any loss caused to the Scheme was not due to wilful default or neglect. This protection is integrated under the University's professional indemnity insurance. The University has provided an indemnity under Clause 10 of the Trust Deed and Clause 12 expressly extends the relevant protections to directors and former directors of a corporate trustee. Operating through a corporate trustee rather than as individual trustees also has certain additional advantages in terms of minimising potential individual liability.

7 The Trustee's advisers

Running a pension scheme is a complicated business. The Trustee can and will rely on others to carry out tasks on its behalf and will often need to take a range of specialist advice. As a director of the Trustee, you should always feel that you can ask the advisers to explain if you do not understand anything, and that you can question or challenge them if you do not agree with what they are saying.

The Trustee of this Scheme has appointed a scheme actuary to advise on the funding of the Scheme, an auditor to audit the accounts of the Scheme, a legal adviser to provide legal advice and carry out related tasks, an investment and defined contribution adviser, investment managers and a Scheme administrator.

8 Scheme funding

One of the Trustee's most important responsibilities is to make sure that the right money is paid into the Scheme at the right time. The Trustee also has to make sure that the contribution rates are sufficient to establish the right level of funding to provide the benefits in the defined benefits section.

9 Scheme investments

A pension scheme has long-term liabilities relating to the defined benefits section. To be able to meet those liabilities when they are due to be paid, the Trustee will normally need to

manage the scheme's existing investments and invest any new contributions that are received. There are practical and legal considerations affecting the investment of scheme assets.

In practice, the Trustee has decided an overall investment strategy for defined benefit assets, including the broad allocation of funds between various investment classes and sectors.

The Trustee is responsible for providing members with access to a range of suitable funds, including a default fund, and investing the assets accordingly via a third party defined contribution provider. The Trustee is responsible for monitoring the investment of the defined contribution members' assets in line with members' preferences where stated.

The Trustee has delegated supervision of the strategy to its Investment Committee.

10 Administrative procedures

Good scheme administration – sometimes referred to as good "governance" – is vital to the proper running of a pension scheme. The Trustee is ultimately responsible for the scheme administration and, as a director of the Trustee, you should actively monitor the quality and effectiveness of the Scheme's procedures.

The Trustee must establish, operate and maintain adequate internal control mechanisms to check whether the Scheme is being effectively administered and managed in the interests of the members and beneficiaries under the Scheme rules.

11 Website of the Pensions Regulator

The Pensions Regulator has a statutory duty to oversee the governance of pension schemes. The Pensions Regulator has published a number of guides to good practice and other helpful material. This note is a summary of the material published on the website of the Pensions Regulator. You can get more from the website:
www.thepensionsregulator.gov.uk/trustees/

The Pensions Regulator publishes useful guidance on its website, outlining the wide-ranging responsibilities placed on trustees and some of the powers they usually have. The guidance provides an overview of the role for newly appointed trustees (and is therefore relevant for newly appointed directors of a corporate trustee), including member-nominated directors, and for others who are thinking of becoming trustees (or directors of corporate trustees) or who are simply interested in finding out more about what being a trustee (or a director of a corporate trustee) involves.

Helpful information on the website includes :

- (a) "A guide for new trustees"
A booklet giving an overview of the function, duties and responsibilities of trustees. It will be particularly useful for newly appointed trustees and people who are considering becoming trustees.
- (b) Trustee toolkit
An interactive e-learning programme developed by the Pensions Regulator specifically for pension scheme trustees.
- (c) "Scope" documents for trustee knowledge, understanding and conversance
These provide details of the items which the Pensions Regulator considers you should know and understand as a trustee, and describe the scheme policy documents with which you should be familiar.

(d) Codes of practice

The Pensions Regulator has issued a number of codes of practice and sets of guidance that give practical insight into complying with pensions legislation. They provide a benchmark for the standard of conduct the Regulator expects of trustees.

Directors of the Trustee are expected to be conversant with this material.

The job description has been reviewed and updated and approved by the Trustee board at its meeting on 4 January 2018.