

Role Description: Pension Scheme Trustee

Role title: Trustee

Reports to: Chair of Trustees

Located: Home working, occasional meetings in London

Working hours: 2 to 4 days per month. Flexibility is required for meetings and attendance at training events.

Salary: Not remunerated, out-of-pocket expenses claimable.

Status: Voluntary role

Organisational context:

The Royal Over-Seas League Pension and Life Assurance Scheme (ROSL PLAS) is a hybrid pension scheme comprising a Defined Benefits (DB) Scheme which was established in 1994 and two Defined Contribution (DC) Schemes; contributions to the Scottish Widows DC Scheme ceased in 1993 and a Group Money Purchase Plan was set up with Clerical Medical in 2007.

The ROSL PLAS has total assets of c. £8.9 million and a total of 82 members. The scheme is in a mature stage, there are no longer any actives for the DB scheme and the DC schemes are closed to new members.

At the last triennial valuation in September 2017, the DB scheme had a funding shortfall of £704,000 and funding level of 87%. A Recovery Plan has been agreed between the Employer and Trustees to remove the shortfall via annual contributions that will be made until June 2026.

The trustee board comprises five trustees. One-third (or two trustees) are nominated by the membership, with the remaining three nominated by the Employer. There are currently vacancies for one employer-nominated and one member-nominated trustee.

Role of the Trustees:

A trustee has a duty to act in the best interests of the members of a pension scheme and to act in accordance with the terms of the trust deed and rules of the particular scheme.

The Pensions Act 2004 introduced a requirement the trustees be conversant with their own scheme documents and have appropriate knowledge and understanding of trusts and pensions law and of the principles of funding and investment. New trustees will receive suitable training to enable them to fulfil their duties in a responsible manner and comply with these requirements.

The main duties of pension scheme trustees can be summarised as follows:

- to administer the scheme and provide benefits in accordance with the trust deed and rules;
- to hold and invest the assets of the scheme for the benefit of the beneficiaries;
- to act impartially towards all the beneficiaries;

- to carry out their duties with reasonable care and good faith;
- to obtain and consider specialist advice in areas where they themselves are not experts;
- to see that money due to the scheme is collected;
- to record the transactions and proceedings of the scheme.

As is common with most other UK pension schemes sponsored by employers, the trustees of the Scheme are not responsible for negotiating benefit improvements.

Requirements:

Generally anyone aged 18 years and over, and legally capable of holding property, is eligible to be a trustee of a pension scheme. But some people are not eligible, including:

- anyone convicted of dishonesty or deception;
- an undischarged bankrupt;
- anyone disqualified from being a company director;
- anyone disqualified from acting as a trustee by The Pensions Regulator; and
- the scheme's auditor or actuary.

The trustees are lay-persons and not considered to be experts. They are advised by professionals and supported by the employer. Prior experience of being a pension scheme trustee is not required. Financial literacy will be helpful. Trustees will be provided with induction for onboarding and training so they have the knowledge and understanding to perform their roles within six months of appointment. Trustees are also expected to commit to continuous learning to keep up to date.

The position is challenging and sometimes difficult. If the trustees get things wrong and, for example, fail to comply with legislation, they could be subject to fines and penalties. The trustees do, however, receive support from the employer, and from their own professional advisers.

The Trustees hold between three to four meetings throughout the year (some of which may be telephone/online meetings).

Persons who are interested in finding out more about what the role involves can access guidance for trustees and the Pension Regulator's e-learning programme via the Pensions Regulator's website (www.thepensionsregulator.gov.uk). Alternatively, contact can be made with the Pensions Regulator directly (Tel: 0345 600 0707 or Email: customersupport@tpr.gov.uk) if there are questions about the role of a trustee.