

Pensions

making...becoming a trustee ...easier

A "making it easier" guide to pensions law for trustees and employers

Introduction

Being a trustee of a pension scheme is a significant responsibility. For new trustees, there's a lot to learn, and some jargon to get to grips with. But if you get the basics right, the rest will be much easier. There's plenty of support out there to help you along the way, and most trustees find it a rewarding experience. Never be afraid to ask what you think may be a stupid question, as the chances are that it won't be.

10 steps to help you become a good trustee

1. Start by **learning about the scheme**. Look at the scheme rules and booklet, minutes of recent trustees' meetings, the latest auditor's report and the scheme funding documents. If the scheme rules are long, ask if a short summary is available for you to begin with.
2. Look at the **online training** available on the Regulator's website. This covers a range of topics, and doesn't have to be completed in one go. There is plenty of other training out there which could supplement this.
3. Many schemes **have training at trustee meetings**. If there is a topic on the agenda which you don't understand, ask if a short training session can be added before the item is discussed.
4. Make sure that **meeting packs** are sent out in plenty of time, so you have a chance to read these properly. Don't be afraid to raise queries before the meeting. For example, you may feel that further advice is needed on a topic before a decision can be made. Also, make sure that **minutes** are prepared promptly, before people forget what was discussed.
5. Trustees need to consider any **conflicts of interest** that they have. These could include being a member of the scheme, or being a director or shareholder of the employer. Any conflicts should be recorded on becoming a trustee, so steps can be taken to manage these.
6. Trustees are there to **act in the interests of the scheme members**. These include those currently earning benefits under the scheme, and also those who have left or retired. If you do this, and put any conflicts of interest to one side, you are unlikely to go wrong.

Pensions law can be tricky... but it doesn't have to be. These 'making it easier' guides explain key issues in simple terms, giving practical help to trustees and employers.

The series is growing; additional copies can be downloaded from www.pinsentmasons.com/pensions.

Current topics include:

- Scheme changes
- Death benefits
- Using Advisers

Comments and ideas for further topics are welcome...

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7. Schemes need good **advisers**. You should ensure that they give advice in a way you understand, and you should say if this isn't the case. Remember that advisers are only there to advise. The final decision will be yours.
8. Sometimes trustees have to make **difficult decisions**. If the issues are properly considered, advice is taken where appropriate, and a sensible decision is made, the courts are likely to respect that it is the trustees' decision that counts.
9. Many schemes contain provisions designed to protect the trustees from **personal liability**. Some trustees also have insurance policies. Make sure that you understand what protection is in place, but try not to rely on this too much.
10. Finally, **don't worry**. Whilst the role of trustees is a serious one, trustees who act honestly and reasonably rarely get into trouble.

Further reading

Take a look at the Pensions Regulator's overview of a trustee's role, code of practice on trustee knowledge and understanding and online learning toolkit:

<http://www.thepensionsregulator.gov.uk/guidance/guidance-for-trustees.aspx>

<http://www.thepensionsregulator.gov.uk/docs/code-07-trustee-knowledge-understanding.pdf>

<http://www.trusteetoolkit.com/arena/index.cfm>

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Should you have any questions please contact your usual Pinsent Masons adviser who will be able to assist you further.

This note does not constitute legal advice. Specific legal advice should be taken before acting on any of the topics covered.

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