

Making running trustee meetings easier

May 2016

Introduction

In recent years, pension schemes have been grappling with major changes in pensions and tax law. Investment matters have become ever more complex and the Pensions Regulator seems increasingly keen to intervene in scheme governance. And individual schemes may have been dealing with difficult changes – perhaps buying out benefits, merging, or changing their benefit structures. All of these issues have increased the workload for those running trustee meetings – but there are things that can be done to ease the burden.

10 steps to successful trustee meetings

1. The scheme's business plan can act as a **rolling calendar of agenda items** for trustee meetings over the next few years. It should be updated regularly so that issues are not overlooked. As well as scheme-specific issues needing immediate attention, the business plan should include general legal, accounting and investment matters which may have a longer timeframe.
2. Ensure all **outstanding matters** from the last meeting have been followed up. Also, make time for **non-urgent activities**, such as reviewing the scheme's internal controls – these can be overlooked if the trustees are grappling with a big project such as closing the scheme to new members.
3. Send out **agenda packs** well in advance – at least two weeks before the meeting – so that trustees (and advisers) can be fully prepared. Agenda packs should contain all relevant papers and it would be sensible to include background information or other related documents – eg any guidance or codes of practice from the Pensions Regulator.
4. **Ensure adequate time is allocated to important strategic issues** and that all trustees have the opportunity to participate in discussions and to ask questions. The chairman should try to discover and represent the views of any trustees who are due to be absent. The chairman may also need to intervene in discussions to ensure that they do not get caught up on points of detail.
5. **Consider inviting the scheme's advisers to attend** the meeting. Trustees can be reluctant to involve their advisers as a matter of course, but advisers will often be able to assist the trustees' decision-making processes on the spot, saving time and money in the long run. It can also help trustees to build good working relationships with their advisers if they attend meetings regularly. An adviser who is fully conversant with the current issues facing the scheme will be able to play a more proactive role in advising the trustees.
6. **Consider setting up sub-committees** for some types of trustee work, such as investment matters and decisions about individual members' discretionary benefits. It can often be more efficient to deal with these issues separately and it enables the workload to be shared across the trustee board. Sub-committees should report to the main trustee board on a regular basis.
7. **Trustees should review their learning needs regularly** (perhaps once a year at trustee meetings). Trustees whose learning is up to date will be able to take scheme decisions more effectively. Trustees should keep a record of formal and informal training.
8. It can be helpful to have a **folder of key scheme documents** readily available for reference at meetings. This could include: the trust deed and rules (and any balance of powers summary), the latest annual report and accounts, the latest actuarial valuation report, a list of delegated functions and any sub-committee terms of reference, the internal dispute resolution procedure, the conflicts of interest policy, the member booklet, the statement of investment principles, the statement of funding principles, the schedule of contributions and the memorandum and articles of association of a corporate trustee.
9. Trustees need to **identify and manage any conflicts of interest** that arise in respect of matters on the agenda. Conflicts and the action taken to manage them will need to be recorded on the scheme's conflicts register and the minutes of the meeting. Sometimes legal advice may be required. It is also worth reminding those attending trustee meetings that the discussions are confidential.
10. **All meetings should be carefully minuted**, paying particular attention to any trustee decisions and, where appropriate, the reasoning behind those decisions. Ensure that action points are highlighted. Draft minutes should be circulated as soon as possible after the meeting. Final versions should be kept throughout the life of the scheme.

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Further reading

The Pensions Regulator's e-learning programme, [the Trustee Toolkit](#), offers more advice on how to manage trustee meetings.

The Regulator has published [guidance on conflicts of interest](#).

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

Current topics include: Using advisers; Scheme changes and Becoming a trustee

Comments and ideas for further topics are welcome...

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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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