

A quick guide to

public service pension boards

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 require pension boards to be established for the public service pension schemes.

These are initially the schemes for civil servants, armed forces, health service workers, teachers, judiciary, police, firefighters and local government workers. In due course it may also include some public body schemes.

The role of each board is to help ensure each scheme complies with governance and administration requirements. They may have additional duties, if scheme or other regulations so specify.

Pension boards need to have an equal number of employer representatives and member representatives. They may also have other types of members, such as independent experts. All pension board members have a duty to act in accordance with scheme regulations and other governing documents.

Scheme regulations (or scheme-specific guidance) may provide further detail on the scope of the pension board and how it should operate, for example how many pension board members need to attend a meeting and how often it should meet.

Scheme governance and administration

Scheme managers are responsible for the key areas of governance and administration including:

- ▶ managing risks and ensuring there are adequate internal controls
- ▶ keeping records and ensuring the quality of member data
- ▶ ensuring the correct contributions are paid to the scheme
- ▶ managing conflicts of interest
- ▶ publishing information about the board
- ▶ communicating information to members
- ▶ resolving disputes and reporting certain breaches of the law

Pension boards are responsible for assisting the scheme managers in securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme, including the matters listed above. The nature of this role in assisting scheme managers varies from scheme to scheme. The remit of pension boards is clarified by the scheme regulations or scheme-specific guidance.

Pension board meetings

Pension board meetings are formal, minuted occasions, where the status of the scheme and associated issues are reviewed and recommendations are made concerning the standards of scheme governance and administration.

There may be standard items on the agenda at every meeting, with extra items added as needed. There should be adequate time to deal with each issue on the agenda. If a board member feels that any particular subject is not being given enough time they should highlight this as a concern.

Who boards will work with

In the schemes with local administration (the police and firefighters' schemes in England and Wales, and the local government schemes in England, Scotland and Wales), the national scheme advisory board monitors standards across the entire scheme and advises scheme managers and pension boards on improving effectiveness and efficiency of the scheme and any pension fund of the scheme.

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). The pension board will assist the scheme manager. The board's role will vary from scheme to scheme, but is likely to generally consist of scrutiny, oversight and/or assurance. In Scotland, regulations have given pension boards specific powers to monitor investments.

The scheme managers

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

Publishing information about the board

In order to demonstrate that the scheme is being run effectively and efficiently, specific information on the pension board should be published and made easily accessible to scheme members. All information should be kept up-to-date and encompass factors such as:

- ▶ the full terms and conditions for the board
- ▶ who the board members are
- ▶ how members are represented on the board
- ▶ the responsibilities of the board as a whole
- ▶ the pension board appointment process
- ▶ who each individual pension board member represents

Help from The Pensions Regulator

Our website provides guidance to help pension board members carry out their role effectively. See www.tpr.gov.uk/publicservice.

We also provide learning resources in the form of a 'Public service toolkit' at www.pensionseducationportal.com.

Board members 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 Ombudsman attempts to resolve disputes which scheme managers and trustees have failed to resolve. It also provides free information on pensions governance – see www.pensions-ombudsman.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 (PLAS)** represents funded pension schemes and their advisers. It also provides pension training courses – see www.plsa.co.uk

How to contact us

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www.tpr.gov.uk

www.pensionseducationportal.com

Free online learning for those running public service schemes

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