

occupational pension schemes

advice to both trustees and sponsoring employers

Good consultancy doesn't just ensure compliance with legislation. It should also deliver cost savings and improved efficiency through the implementation of best practice.

Services for trustees of occupational pension schemes

Truestone provides ongoing, project based and second opinion advice to trustee boards to ensure that both compliance with legislation and best practice are achieved at all times. This can include assistance with:

- Responding to emerging legislation and providing an opinion and/or recommendation
- Communicating with members
- Considering trustee discretion cases
- Liaison with the sponsoring employer
- Trustee meeting attendance and advice on all areas arising

Listed below are a number of specific areas where we are able to provide support to trustees.

- Trustee secretariat
- Risk management & governance
- Adviser and service provider review, management and procurement
- Trustee training

These are now considered in greater detail

Trustee secretariat

The role of the Secretary to the Trustees is an important one and should be undertaken by an experienced professional.

The role is not simply an administrative function. An experienced Secretary to the Trustees will ensure that a trustee board is compliant with legislation at all times whilst always looking ahead to future developments in the scheme.

At Truestone, we provide a full secretariat service for trustee boards independent from all interests and conflicts of interest.

Our service includes:

- Annual meeting schedule and key events timetable
- Pre-meeting preparation (this includes attending "pre-meetings" with key people, drafting of agendas, managing trustee advisers and preparing meeting packs)

- Meeting attendance (ensuring that the agenda is adhered to and presenting where appropriate)
- Production of draft minutes for agreement
- Management of actions arising from the meeting in a timely and efficient fashion
- Documentation storage and management

Risk management and governance

The Pensions Act 2004 and the Pensions Regulator's Code of Practice 09 Internal Controls have increased the importance of risk management and mitigation as well as governance for trustees.

We believe that there are two aspects of governance for trustees to consider:

- i) The Code of Practice 09 Internal Controls recommends the use of a risk review process to identify existing risks across all aspects of a pension scheme. Through such a process, risks are graded by severity of potential impact and likelihood of occurrence. Trustees are then able to consider each in turn and put in place the appropriate mitigation, if necessary.

We have developed a risk review matrix that is tailored to individual clients through thorough investigation and discussion resulting in a risk register. Where required, we are able to provide the necessary services to ensure that the appropriate controls are put in place.

This process should be reviewed on at least an annual basis.

- ii) Governance is not just about compliance with legislation, however. We are able to provide advice and support to trustees who wish to improve the quality and efficiency of their operation. For example, this could include a review of trustee meeting procedure or use of professional service providers.

Truestone is able to provide advice and support in both these areas independent of other interests and conflicts of interest.

Adviser and service provider review, management and procurement

Trustees are responsible for appointing their own advisers and it is important that any incumbent is:

- Providing the service/advice required by the trustees (in terms of security, efficiency and innovation)
- Providing value for money
- Achieving any performance standards set
- Interacting and communicating well with the trustee board

We can work with trustees to ensure that their advisers and service providers are effectively managed. This will often entail the production of an annual business plan and review of fee budgets.

Where change is required, we can provide a tailored procurement process that fits the client, ranging from basic help with invitations to tender, to running a full process which might include:

- Initial benchmarking and advice around long list selection
- Drafting of invitation to tender
- Organisation of and attendance at a "bidders conference" and/or individual meetings
- Review of tender submissions and advice on short list
- Organisation of and attendance at presentations
- Site visits and demonstrations
- Final decision making and liaison with all tendering parties

Trustee training

The Pensions Act 2004 and the Pensions Regulator's Code of Practice 07 Trustee Knowledge & Understanding (TKU) place a requirement upon trustees to be sufficiently knowledgeable about their scheme in order to be able to operate effectively.

One way of demonstrating compliance with the Code is to have a formal training plan in place. We are able to build training plans that not only achieve compliance with the Code but which also add true value to the operation of the trustees through liaison with the trustees' actuary and legal advisers.

We have developed training logs to record all of the training undertaken by trustees. This includes both formal scheme specific training and courses open to the public. An annual review of such logs will highlight both individuals requiring further training and areas of detail requiring consideration.

For new trustees, we provide bespoke introductory training on all aspects of their scheme immediately after appointment.

For existing trustees, we recommend that the whole board initially undertakes a training needs self-analysis to ensure that the 'basics' have been covered. If necessary, any gaps identified can be filled as part of the annual formal training plan or in one-to-one sessions outside of the trustees' formal timetable.

Another way of demonstrating compliance with the Code is to undertake a formal trustee qualification such as the Award in Pension Trusteeship provided by the Pensions Management Institute (PMI). We are able to provide all the requisite preparation and support for the examination and arrange private examination facilities, if required.

Services for sponsoring employers of trust based occupational pension schemes

Truestone provides ongoing, project based and second opinion advice to employers with regard to their trust based occupational pension arrangements.

This can include:

- Consideration of scheme design issues
- Liaison with trustee boards, acting as a company representative at trustee meetings, if required
- Communicating with employees and other stakeholders
- Acting as interim pension manager and assistance with recruitment of a full-time individual
- Assistance in winding up trust based pension arrangements, including all the necessary consultancy advice and communication support
- All project and change management requirements in relation to an employer's pension arrangements

For further information on our services or an exploratory meeting with one of our consultants call 0845 362 8426 or email employeebenefits@truestone.co.uk

www.truestone.co.uk

Truestone Employee Benefits is a trading name of Truestone Asset Management plc which is authorised and regulated by the Financial Services Authority.

Truestone refers to the Truestone Group of companies that are related via common shareholders and a commitment to the ethical treatment of clients, employees and suppliers as well as pioneering the development of investments that sustain the environment and help disadvantaged individuals and communities.

Truestone Group consists of:

- Truestone Asset Management plc
- Truestone Capital Management Limited
- Truestone Employee Benefits and Truestone Private Finance are trading styles of Truestone Asset Management plc

