

# Could you help to run the University of Oxford Staff Pension Scheme (OSPS)?

We are looking for scheme members to join our Trustee board as Member Nominated Directors (MNDs). The position is open to all active, deferred and pensioner members irrespective of their background. This booklet explains the role of an MND, who can apply and how we will select our new MNDs.



## About the Trustee Board

The University of Oxford Staff Pension Scheme (the 'Scheme') is established as a trust so that it is completely independent from the Scheme's participating employers.

A separate Trustee company, called OSPS Trustee Limited (the 'Trustee'), manages the Scheme in accordance with the Scheme's Trust Deed and Rules. The Trustee has a board of directors who are either appointed by the Vice Chancellor of the University, the Council of the University (known as Employer Nominated Directors, or 'ENDs') or from among/on behalf of the members of the Scheme (known as Member Nominated Directors, or 'MNDs'). The END and MND directors are often referred to as the Trustee Directors or simply as the trustees.

Under pensions law, at least one third of the directors of the Trustee must be MNDs. In fact, OSPS has more than this.

The current Trustee board consists of:

1. A Chair nominated by the Vice-Chancellor after consultation with and confirmation by the trustees.
2. Five Member Nominated Directors (MNDs) self-nominated from among/on behalf of the members; and
3. Five trustees appointed by the Council of the University (UADs).

The current Trustees are:

<b>1.</b>	<b>Mrs Naomi L'Estrange (Chair)</b>	c/o Pensions Office
<b>2.</b>	<b>Mrs Margaret Hauser</b>	c/o Pensions Office (MND)
	<b>Ms Lucille Savin</b>	Merton College (MND)
	<b>Mr Kevin Valentine</b>	Chemistry (MND)
	<b>Ms Kate Kele</b>	Estates Services (MND)
	<b>(vacancy)</b>	c/o Pensions Office (MND)
<b>3.</b>	<b>Mr Charles Alexander</b>	Merton College
	<b>Mr Nicholas Badman</b>	Exeter College
	<b>Prof Gordon Clark</b>	Smith School
	<b>Mr Jamie Clark</b>	Hertford College
	<b>Mr Dan Snape</b>	Said Business School

## What do the Trustee Directors do?

**The Trustee Directors administer the Scheme in accordance with the Scheme's Trust Deed and Rules – the formal legal document that sets out the framework for the Scheme – and pensions law.**

**Everyone on the Trustee board works together to manage the Scheme, so you would always be working with a group of people. Our main responsibilities are to make sure that members get the right benefits at the right time, and that the Scheme has enough money to pay all members' benefits, now and in the future. The appendix on page 4 of this leaflet sets out the duties of a trustee in more detail.**

**The Trustee Directors don't have to be experts in pensions or investments, and we can delegate our duties to suitably qualified people. However, we have overall responsibility for the actions taken – and what we do is monitored by the Pensions Regulator and other regulatory bodies.**

**The MNDs have the same duties and responsibilities as those trustees who are appointed by the Vice Chancellor or the Council of the University.**

**This is a rewarding role, with help and advice available from a range of sources, including our professional consultants, the Scheme actuary, investment advisers, lawyers, and auditors.**

**If you're interested in applying, please return the enclosed application form to us by 14 June 2024.**

## Our experience of the role:



### Nick Badman:

*I would say a real sense of doing something positive that can really make a difference to people lives. Recent examples include: a positive valuation outcome with higher employer contributions on the DC scheme and helping lock in some of the improved funding level on the DC side.*

*Being part of a team who really care and work hard to improve member experience, knowledge and outcomes.*

OSPS Trustee Director

### Lucille Savin:

*My day job is to care for a collection of plants and design gardens for future generations, so it gives me huge comfort knowing I can help staff prepare for their future.*

OSPS Trustee Director

### Gordon Clark:

*Being a OSPS trustee is both a privilege and a responsibility in that we can make a real difference to members' retirement. The trustees are experienced and committed to the project. As a result, meetings are very informative and convivial – it's all about understanding the issues and making effective decisions together. We welcome everyone whatever their Oxford affiliation and status.*

OSPS Trustee Director

## Being a Trustee Director

### Training

New MNDs will receive training as soon as possible following their selection and continuous support to help them fulfil their duties. You'll need to familiarise yourselves with the Scheme's documents, meeting minutes, and the Trust Deed and Rules. A copy of the Rules can be found here: [www.finance.web.ox.ac.uk/files/ospstrustdeedandrulesfrom1october2017.pdf](http://www.finance.web.ox.ac.uk/files/ospstrustdeedandrulesfrom1october2017.pdf). The Pensions Regulator has a lot of useful information for trustees on its website ([www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)), as well as a free online learning programme called the 'Trustee Toolkit', which you'll need to complete before you are formally appointed.

The Scheme is a Master Trust and the Pensions Regulator expects each Trustee Director to be able to demonstrate a basic level of knowledge and understanding needed to run the Master Trust at the time of appointment. The Pensions Regulator needs to be satisfied that each director has demonstrated the requisite knowledge and understanding where they have completed the relevant modules of the Trustee Toolkit or equivalent learning programme, or they demonstrate that they have gained sufficient equivalent knowledge in relation to the scheme being authorised as a Master Trust through previous experience over a number of years acting as a trustee or in a senior pensions role within a defined contribution, mixed benefit or Master Trust scheme.

### Time commitment

As an MND, you will be expected to attend at least four half-day Trustee board meetings per year. In addition, you will be expected to read the materials prepared for each meeting and attend training courses as required.

Initial training will be given on selection as required, together with ongoing training once appointed. Furthermore, some ongoing self-study will be required.

You will also be expected to volunteer to join at least one Trustee committee which will require additional commitment from you and attendance at least four committee meetings a year.

### Term of office

If your application is successful, you will be appointed as an MND for a fixed term of office of up to three years. You can stand again for a further three-year term at the end of your term of office if you satisfy the eligibility criteria at that time.

### Eligibility

To become an MND, you must:

- be over 18 years of age;
- be an active (currently contributing), deferred or pensioner member of the Scheme;
- be prepared to devote time outside of Trustee meetings to undertake training on trustee and pensions issues and to consider any urgent business that arises between meetings;
- NOT be disqualified or prohibited from serving as a trustee of an occupational pension fund (please see the application form for further details) or as a company director; and
- obtain a Certificate of basic clearance by the Government's Disclosure and Barring Service.

## Charles Alexander:

*It gives me a chance to help ensure that Oxford staff have a good pension.*

*I have the opportunity to learn from the experts that advise the trustee board on many topical issues relating to pensions.*

*As a member of the FIC, I engage with investment advisers and fund managers which I find broadly helpful for what I do.*

*The discussions at the trustee board are always interesting, and I enjoy participating with the other trustees in the decisions we have to make.*

OSPS Trustee Director

## Dan Snape:

*Play an important role in decision making for the Oxford pension fund while being part of a committed and supportive trustee board.*

OSPS Trustee Director

## Nick Badman:

*Satisfaction from helping guide the funding and investment strategy to safeguard and increase the security of members' benefits. This includes being kept up to date with the impact of market events on the Scheme's funding position and responding accordingly.*

*Taking part in discussions with the employer regarding benefit improvements.*

*Considering how to improve member communications and raising awareness generally on the DC side.*

OSPS Trustee Director

## Ceasing to be an MND

An MND may step down from the role at any time. However, in accordance with the legislation, an MND can only be removed from office during their term with the agreement of all the other Trustee Directors (END and MND).

In the case of an MND whose status changes (i.e. if they were an active member at the time of their appointment and then become a deferred member, an active member who becomes a pensioner or a deferred member who becomes a pensioner member) the MND may continue in their term of office if they are willing to do so and the Trustee agrees to this. The same principle applies if an MND ceases to be a member of the Scheme.

## The selection process

- Once the deadline for receipt of application forms has passed, a selection committee will consider the applications. Where there are more nominations than vacancies the committee will create a shortlist of candidates to invite to an interview.
- You will be notified by email if you have been selected for interview, or if your application has not been successful.
- The selection committee interviews, which will be held in person in Oxford, will be held during June 2024.
- The selection committee will then make a decision on which of the applicants to appoint. They will base their decision on:
  - > the needs of the Trustee Board in terms of skills and experience;
  - > the desirability of maintaining a diversity of perspectives and representation of the membership of the Scheme;
  - > the individual's availability to commit to the role;
  - > any potential for conflicts of interest;
  - > the legal requirements for the make-up of the Trustee Board.
- Those members attending an interview will be notified of the results as soon as possible followed by the remaining Scheme membership as soon as practical.
- Whilst the formal process of the candidate's appointment is being completed, a candidate who has been selected as a future MND will attend meetings of the Trustee as an observer as part of their training, subject to a commitment to maintain confidentiality as if appointed as a director.

If the selection committee decides that none or less than five of the applicants are suitable for the vacant MND positions, a new MND application and selection process will be run within a 12-month period to seek candidates to fill the vacancy(ies).



# Appendix

## General duties of trustees

The principal duty of the trustees of a pension scheme is to look after and manage the scheme assets and to make sure that the benefits to which members and other beneficiaries of the scheme are entitled are paid when they become due. In carrying out this duty, a trustee is required to administer the scheme assets with as much care as a prudent person would exercise when dealing with their own property. They must also act impartially in the interests of all scheme members, pensioners, and beneficiaries.

## Specific duties of trustees

Duties for trustees include, but are not limited to, requirements to:

- ensure that the scheme meets the criteria for approval by HMRC;
- ensure that proper scheme records are maintained;
- ensure prompt payment and investment of scheme contributions;
- make decisions regarding the investment of scheme assets;
- ensure that administration procedures are established to pay out benefits when they become due;
- exercise discretion where required, for example in the payment of lump sum death benefits;
- ensure that scheme members are provided with proper information about the scheme and their benefits and options;
- ensure that scheme accounts are produced and audited and actuarial valuations carried out; and
- comply with all the procedures and requirements laid down under pensions legislation.

## Delegation of duties

Although overall responsibility remains with the trustees, they cannot be expected to carry out personally every action required to operate a pension scheme. Trustees normally delegate day-to-day administration of their scheme to the University Pensions Office and are helped by expert financial and legal advisers, for example on investment matters. However, trustees retain overall responsibility for the running of the scheme.

## Trustee knowledge

The Pensions Act 2004 places trustees of occupational pension schemes under a statutory duty to have a working knowledge of their trust deed and rules, statements of investment and funding principles and any other document relating to the scheme's administration policy. They must also understand pensions and trust law and matters such as the basic principles relating to the investment of assets in relation to the funding of a defined benefit pension scheme and the management of a defined contribution pension scheme, to enable them to carry out their duties.

The Government has stressed that these provisions will not require trustees to become 'pension experts' but are intended to ensure that they acquire sufficient knowledge to make informed decisions and critically evaluate professional advice. It envisages that newly appointed trustees will need several days' training initially, and all trustees will require ongoing training. Further details on the required level of knowledge and understanding for a pension scheme trustee (having received initial and ongoing training) is available on the Pensions Regulator's website ([www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)), under the heading 'Trustee knowledge and understanding'.

To help trustees to obtain the required level of knowledge, the Pensions Regulator requires that all new pension scheme trustees complete the 'Trustee Toolkit' as part of their initial training, which is an online learning tool available to all trustees. The Trustee Toolkit is available here: <https://trusteetoolkit.thepensionsregulator.gov.uk/>

A newly appointed trustee is normally required to complete the initial training required within a period of six months of being appointed as a trustee. As a master trust, the required level of knowledge is required at the time of formal appointment. Normally new trustees need to complete the Trustee Toolkit before they are formally appointed to the Trustee board.

## Legal liability of trustees

The Trustee company may be held liable to make good any loss suffered by members or other scheme beneficiaries if it commits a breach of trust. This could occur if the Trustee failed to carry out its duties properly (e.g. under the Scheme's trust deed and rules) or exceeded its powers. The directors of the Trustee company have legal duties to ensure the Trustee company is fulfilling its purpose. The Pensions Regulator can take action against Trustees and directors of Trustees who breach pensions law.

Each trustee has a personal responsibility for their actions while a Trustee Director, which is not cancelled by a subsequent termination of the position. However, there are various protections in place, including Trustee liability insurance, for the Trustee and the Trustee Directors so long as individuals are acting honestly and reasonably.