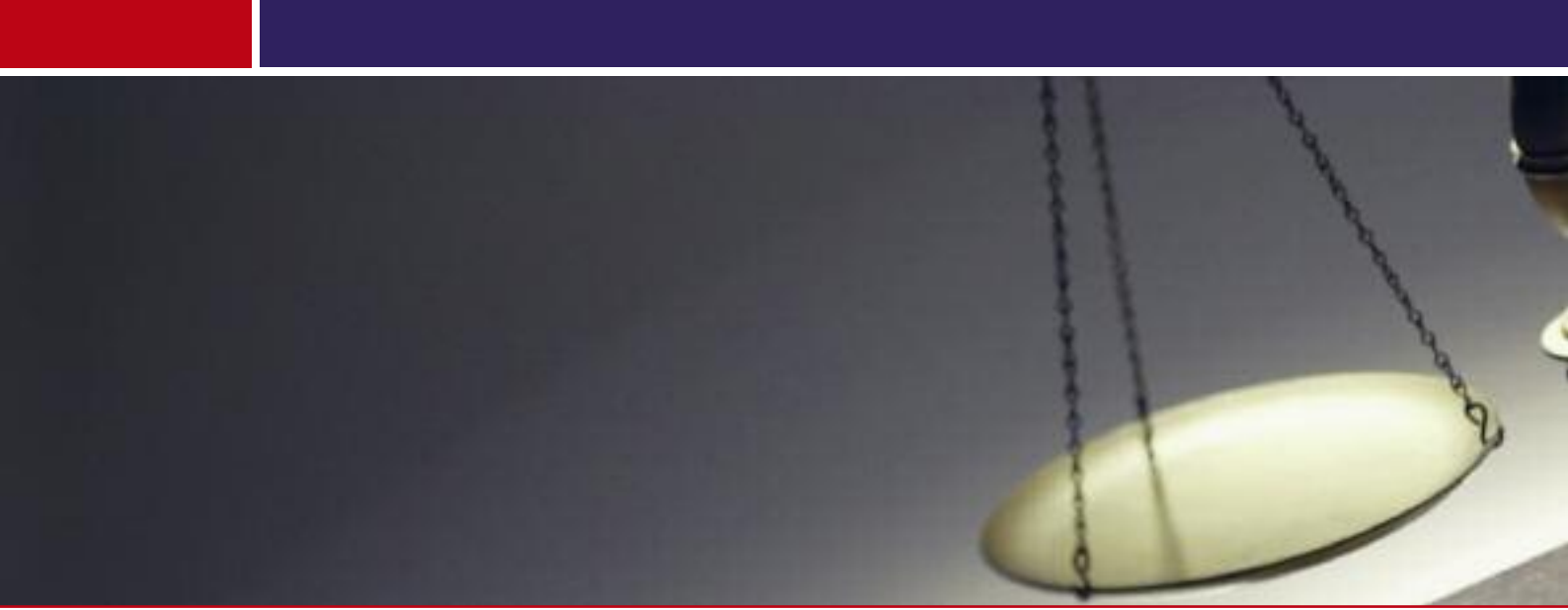




A balanced approach to Pensions Trusteeship



In theory the role of a trustee is really quite a simple one: to deliver the benefits of scheme members.

The reality is somewhat harder.

The new world trustee must be well versed in all aspects of running a pension scheme from investment to administration, funding to communications, corporate finance to risk management.

The challenges don't end there. Seemingly ever changing legislation, increased trustee competency, knowledge and understanding requirements, the changing dynamic between sponsor and trustee, more open disclosure of trustee policies on governance and a pro-active regulatory framework that can challenge trustee actions... all come together to make a complex and demanding role out of what, in principle, is a straightforward one.

Overlay the fact that most trustees of UK pension schemes act in an unpaid capacity alongside their normal business role, it is small wonder that many trustee boards feel they need extra help.

This is where we come in.

There has never been a greater need for independent, professional trustee representation; representation that delivers an unbiased, considered and rounded view. This is why we are appointed as professional trustee to a wide range of occupational pension schemes.

Why choose Independent Trustee Services?

Trusteeship is a full time role and our corporate structure and culture reflect this, in both our staff development programme and our peer review and governance processes. Our depth and range of knowledge, communication skills and sound decision-making abilities are the foundations of what we bring to each of our trusteeships.

The trustee is central to the effective coordination and relationship management between the numerous stakeholders; company, scheme members, advisers and regulators. We are able to work without the conflicts that can sometimes hinder company appointed trustees.

Each trustee appointment at ITS is led by a fulltime director with broad experience of pensions and related matters as well as traditional commercial skills, supported by a team with significant experience in the pensions industry and the skills to manage a pension scheme effectively.

Using our review process, we bring a risk-based approach to scheme governance. From this we assess and review key areas of risk for the scheme ranging from the processes of the administrator to the strength of the employer's covenant.



Some questions when considering the appointment of an independent trustee?

- Do all of your trustees have confidence in their ability to carry out their roles?
- Do they know about their powers as well as their duties and responsibilities?
- Do they understand the importance of the employer covenant and its significance in funding and investment strategy?
- Do they fully understand the advice from their advisers and through discussion participate fully in decision-making?
- Are advisors constructively challenged?
- Can they recognise conflicts of interest and deal with them?
- Are they sufficiently familiar with their own trust deed and rules?
- Does a robust trustee business plan exist, detailing key events and what activity needs to happen by when?
- Does the same governance apply to your pension scheme in the same way it applies to your company?

If the answer is no to any of these questions, a professional independent trustee will help you, your trustee board and ultimately your scheme members.

What ITS can offer?

Our appointments generally come from client referrals or recommendations from another pension professional. This supports our view of the excellence ITS delivers to each of its trustee appointments.

Professional Pension Scheme Trustee

We believe that the central role of running the pension scheme and dealing with the closely connected relationships are not confined just to trustees' meetings.

Alongside the key benefits and security for the members ITS can:

- Bring the confidence of impartiality to scheme members
- Help to manage the funding and investment strategy so that the risks are acceptable to the members and the sponsor
- Act as chair of trustees
- Work with co-trustees (be they Company or Member Nominated) to add experience to a new trustee board
- Work around situations of actual or potential conflict of interest
- Remove the risk from time-pressured decision making
- Work alongside and challenge (when appropriate) advisors to the scheme
- Plan and manage the trustee duties, particularly around the Pension Regulator (tPR)-notifiable events
- Lead trustee negotiations on corporate activity that could impact on the employer covenant
- Act as sole corporate trustee perhaps to assist in a change programme for the pension scheme arrangements where schemes are being amended, closed or merged
- Provide scheme secretarial services

Corporate Transactions

Specialist skills are required when dealing with the difficult task of trusteeship if the scheme sponsors are undergoing corporate change.

A detailed understanding of corporate transactions and the restructuring proposals, together with empathy in dealing with the problems and concerns of members (and recognising the interests of all potential beneficiaries and how these may impact the scheme), are absolutely essential in circumstances that are by their very nature sensitive.

What next?

There really has not been a better time to consider appointing a professional independent trustee. For further information on the services ITS can offer you, please email us at info@itslimited.co.uk or visit our website at www.itslimited.co.uk to register your interest. Alternatively call any of our directors below.



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