

Eaton UK Pension Plan Trustee Limited Your Trustee Board

A very responsible role

Being a Trustee of a pension plan is a responsible and challenging position. Keeping the retirement savings of Plan members safe is challenging but rewarding work.

The law requires a Trustee to learn about his or her legal obligations, about trust law generally as it applies to pension plans, as well be familiar with the documents and financial circumstances applying to the pension plan for which they are responsible.

What does a Trustee do?

The main duties of a Trustee are to look after and manage the assets of the Plan and to pay benefits to the Plan's beneficiaries in accordance with the Trust Deed and Rules. Beneficiaries are the people who are, or may become, entitled to benefits from the Plan.

A Trustee must act in accordance with the legal documents governing the Plan, the laws made by Parliament governing pension plans, and general trust law as established by the courts over the years. Advisers are on hand to give guidance, as required.

In carrying out these duties, a Trustee must act impartially in the interest of the beneficiaries as a whole.

A Trustee is not a representative of any particular class, section or interest group.

Governance

The Trustee Board is responsible for the governance of the Plan. This is an important task and one that differs significantly from a management role.

It's the board's legal duty to make sure the right processes, systems, people and procedures are in place to manage the Plan, its investments and the risks that can arise.

Advisers

Trustee boards appoint specialist advisers to provide information and guidance on the status of the Plan, the day to day running of the Plan and support the trustee in its decision making.

Meetings

Trustee meetings are formal occasions where minutes are taken. The Trustee board reviews the position of the Plan and makes decisions on its future.

There are standard items on the agenda at every meeting, such as declaring conflicts of interests and reviewing actions from previous meetings. Additional items are added as and when they need to be discussed.

There are at least six Trustee Board meetings held each year. Three of these meetings focus on the Plan's investments and funding, and the other three consider all other aspects of running the Plan. There are also three shorter meetings to consider investment performance.

Trustees are expected to come prepared to meetings, having read papers which are provided in advance.

In addition to the main Board meetings, the Trustee runs a number of Sub-Committees, these being an Administration & Audit Committee, a Communications Committee and a Governance Committee.

In between scheduled meetings, Trustees are often asked to contribute to discussions and/or any decision-making required either by email or by video or audio conference.

Training

Training is very important, to make sure the Trustee Board has the skills, knowledge and understanding to run the Plan properly. Training is provided by advisers and the Trustees are also expected to attend pensions related seminars and to complete the Pensions Regulator's online trustee toolkit.