The Changing Role of the Occupational Pension Scheme Trustee

Andrew Thomas, Nick Pettigrew, Sara Candy and Alper Hulusi

A report of research carried out by BMRB Qualitative on behalf of the Department of Social Security
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>v</td>
</tr>
<tr>
<td>The Authors</td>
<td>vi</td>
</tr>
<tr>
<td>Glossary of Terms</td>
<td>vii</td>
</tr>
<tr>
<td>Summary</td>
<td>1</td>
</tr>
<tr>
<td>1 Introduction</td>
<td>5</td>
</tr>
<tr>
<td>1.1 Background</td>
<td>5</td>
</tr>
<tr>
<td>1.1.1 The duties of trustees</td>
<td>5</td>
</tr>
<tr>
<td>1.2 Aims of the study</td>
<td>6</td>
</tr>
<tr>
<td>1.3 Methodology</td>
<td>6</td>
</tr>
<tr>
<td>1.4 The Sample</td>
<td>7</td>
</tr>
<tr>
<td>1.5 About qualitative research</td>
<td>8</td>
</tr>
<tr>
<td>1.6 Report structure</td>
<td>8</td>
</tr>
<tr>
<td>1.7 Reporting conventions</td>
<td>9</td>
</tr>
<tr>
<td>2 Becoming a trustee</td>
<td>11</td>
</tr>
<tr>
<td>2.1 Routes to becoming a trustee</td>
<td>11</td>
</tr>
<tr>
<td>2.1.1 Employer-appointed trustees</td>
<td>11</td>
</tr>
<tr>
<td>2.1.2 Member trustees</td>
<td>11</td>
</tr>
<tr>
<td>2.2 Period of appointment to the trustee board</td>
<td>13</td>
</tr>
<tr>
<td>2.3 Reasons for becoming a trustee</td>
<td>13</td>
</tr>
<tr>
<td>2.3.1 ‘It came with the job’</td>
<td>13</td>
</tr>
<tr>
<td>2.3.2 ‘Pensions as hobby’</td>
<td>14</td>
</tr>
<tr>
<td>2.3.3 ‘The altruist’</td>
<td>14</td>
</tr>
<tr>
<td>2.3.4 ‘Trustees by default’</td>
<td>14</td>
</tr>
<tr>
<td>2.3.5 ‘Am I really a trustee?’</td>
<td>15</td>
</tr>
<tr>
<td>2.4 Trustee background</td>
<td>15</td>
</tr>
<tr>
<td>2.5 Expectations of trusteeship</td>
<td>16</td>
</tr>
<tr>
<td>2.6 Feelings towards appointment</td>
<td>16</td>
</tr>
<tr>
<td>2.7 Information received</td>
<td>17</td>
</tr>
<tr>
<td>2.8 Training</td>
<td>18</td>
</tr>
<tr>
<td>2.8.1 Training received</td>
<td>18</td>
</tr>
<tr>
<td>2.8.2 Initial training</td>
<td>18</td>
</tr>
<tr>
<td>2.8.3 Further training</td>
<td>19</td>
</tr>
<tr>
<td>2.8.4 Training after the Pensions Act 1995</td>
<td>19</td>
</tr>
<tr>
<td>2.8.5 Training required</td>
<td>20</td>
</tr>
<tr>
<td>2.8.6 Views concerning certificated training</td>
<td>20</td>
</tr>
<tr>
<td>2.9 Changes since the Pensions Act 1995</td>
<td>21</td>
</tr>
<tr>
<td>3 The Roles and Responsibilities of Trustees</td>
<td>23</td>
</tr>
<tr>
<td>3.1 Spontaneous awareness of trustees’ roles and responsibilities</td>
<td>23</td>
</tr>
<tr>
<td>3.2 Prompted awareness of trustees’ roles and responsibilities</td>
<td>25</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENTS

We would like to thank the pension scheme trustees who took part in this study for their time and informative discussion, and the scheme administrators for providing access to the trustee boards. We are also grateful to The National Association of Pension Funds (NAPF), The Association of Corporate Trustees (TACT), the Occupational Pensions Regulatory Authority (Opra), The Pensions Management Institute (PMI), Mercers, the Trades Union Congress (TUC) and officials from the occupational and personal pensions policy section of the Department of Social Security (DSS) for their assistance with this research.

The study was co-ordinated by Richenda Solon of the Department of Social Security who played a key role in the design and conduct of the study.
THE AUTHORS

Dr Andrew Thomas is a Director and Head of Qualitative Research at BMRB International. He has twenty years experience of social policy research, both as a manager and as a practitioner. He has provided research expertise for all the major government departments on subjects as diverse as personal finance, unemployment, benefits, welfare reform, sustainable development, health, population forecasting, housing and education. He specialises in personal finance, disability and unemployment research and both writes about and teaches qualitative methods.

Nick Pettigrew (Associate Director) has been a social policy researcher for many years with both quantitative and qualitative experience. Nick has provided research expertise to a wide range of government departments and organisations such as the Arts Council and the Broadcasting Standards Council. His research interests span social policy issues as well the arts and media.

Sara Candy (Senior Research Executive) has both quantitative and qualitative experience across a range of social policy and commercial markets. Now specialising in social policy issues Sara has particular interests in welfare reform and the internal issues that effect organisations.

Alper Hulusi (Research Executive) has specialised in using qualitative research methods across a range of social policy research projects including public health, employment, training and government initiatives such as New Deal. He has a particular interests in educational and health research.
### GLOSSARY OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active members</td>
<td>Active members are current employees who are building up an entitlement to a pension from an occupational pension scheme.</td>
</tr>
<tr>
<td>Contracting out</td>
<td>Pension arrangements can be contracted out of the State Earnings Related Pension Scheme (SERPS). In pension arrangements that are contracted out employers and employees pay lower rate National Insurance contributions. Employees in pension arrangements which are not contracted out of SERPS pay full rate National Insurance contributions which entitles them to a pension from SERPS as well as through their occupational scheme or personal pension arrangement.</td>
</tr>
<tr>
<td>Deferred pensioners (or deferred members)</td>
<td>Deferred pensioners are people who were active members of an occupational pension scheme but are no longer contributing, usually because they have joined a new employer. Contributions are no longer being made into the scheme either by the member or the employer. The pension rights are frozen or retained in the scheme until they are drawn as a pension or transferred to a new pension scheme or personal pension arrangement.</td>
</tr>
<tr>
<td>Defined benefit schemes (or salary related/final salary schemes)</td>
<td>Occupational pension schemes where an employee’s pension and/or benefits paid relate to salary (usually, but not always, final salary) and the length of service in the pension scheme.</td>
</tr>
<tr>
<td>Defined contribution schemes (or money purchase schemes)</td>
<td>Occupational pension schemes where an employee’s pension and/or benefits depend on the amount of contributions paid into the scheme in respect of the employee and the investment return on these contributions.</td>
</tr>
<tr>
<td>Employer-appointed trustees</td>
<td>Trustees that have been appointed by the sponsoring employer without the scheme members being involved in the selection.</td>
</tr>
<tr>
<td>Group personal pension arrangements</td>
<td>Personal pension plans that an employer has organised with an insurance company, friendly society, unit trust, building society or bank for a group of employees. Employers may also make contributions to these employees’ personal pension plans. Group personal pensions are not a type of occupational pension, but a group of individual personal pensions collected together for administrative convenience.</td>
</tr>
<tr>
<td>Insured schemes</td>
<td>Schemes where pensions and/or benefits are secured solely by insurance policies or annuity contracts and which are also managed by the insurance company.</td>
</tr>
<tr>
<td>Member trustees (including definition of member-nominated trustees)</td>
<td>Trustees who have been appointed specifically in their capacity as a scheme member and where scheme members have some influence in their appointment. This includes cases where selection is made by a trade union. Not all member trustees will be member-nominated trustees in the meaning of the Pensions Act 1995. Under the Act members of occupational pension</td>
</tr>
</tbody>
</table>
schemes have the right to select at least one third of the trustees, unless the
employer has proposed alternative arrangements and the members approve.
Prior to the Act the sponsoring employer frequently had sole power to
appoint or approve the appointment or removal of trustees.

**Minimum Funding Requirement (MFR)**

The Minimum Funding Requirement (MFR) came into effect in April
1997 and applies to most private sector defined benefit occupational pension
schemes. The MFR is intended to provide a reasonable level of security for
members in the event of the employer becoming insolvent and no further
funds being available to pay into the scheme. It requires schemes to hold a
minimum level of assets to meet their liabilities, valued in accordance with
a prescribed method. Trustees must ensure that an MFR valuation is carried
out by the scheme actuary at least once every three years.

The MFR also sets time limits by which any under funding must be made
good. Transitional provisions allow underfunded schemes until 2003 to
reach 90% and until April 2007 to reach 100%. After April 2002 the scheme
funding level must be brought to 90% funding within 1 year of the signing
of the MFR valuation and to 100% by the end of the period covered by the
schedule of contributions (5 years).

**Opra**

The Occupational Pensions Regulatory Authority (Opra) was set up by the
Pensions Act 1995 to make sure that occupational pension schemes are safe
and well run. Opra investigates and takes action where there is carelessness
or negligence that could put occupational pension schemes at risk. If pension
scheme actuaries and auditors have reasonable cause to believe that any duties
relevant to the proper administration of the scheme are not being carried
out, they must report the matter to Opra if it is of material significance to
Opra’s functions. Trustees can also report to Opra if they also have reasonable
cause to believe there has been such a breach.

Opra has powers of sanction and control where a trustee is found in breach
of specified provisions of the Act. Depending on the severity of the case,
Opra can:

- prohibit, disqualify or suspend a person from being a trustee of the scheme;
- appoint its own trustee, with full or partial powers, to the exclusion of
  the existing board of trustees;
- impose a financial penalty;
- pursue a criminal prosecution.

**Pensioner members**

Pensioner members are people currently receiving a pension from an
occupational pension scheme.

**Pensioner trustees**

Trustees who have been appointed specifically in their capacity as pensioner
members of the scheme.
Personal pension arrangements: A private form of pension arrangement under which individuals who are employees or who are self-employed make pension provision with an insurance company, friendly society, unit trust, building society or bank. Employers may also contribute to an employee’s personal pension plan.

Professional or independent trustees: Trustees that have no connection with the sponsoring company and provide trustee services as a business.

Self-administered schemes: Schemes where the assets are invested by the trustees, an in-house manager or an external investment manager, rather than through an insurance contract with an insurance company.

Socially Responsible Investments (SRI): With effect from 3 July 2000, trustees of occupational pension schemes are required to include in their Statements of Investment Principles a statement on the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments, and also a statement of their policy (if any) in relation to the exercise of rights (including voting rights) attaching to investments.

Statement of Investment Principles (SIPs): Introduced by the Pensions Act 1995, trustees of both defined benefit and defined contribution schemes must explain in a written statement the principles which govern their investment decisions. In preparing or revising the statement, the trustees must obtain and consider the written advice of a suitably qualified investment adviser. They must also consult the sponsoring employer. They must publicise the existence of the statement of investment principles and provide a copy to scheme members who wish to see it. This provision does not apply to insured schemes.
SUMMARY

Introduction This research examines how occupational pension scheme trustees perceive their role and responsibilities and considers whether there have been any changes to the role of pension scheme trustee following the implementation of the Pensions Act 1995. This study, which updates a ‘benchmarking’ study from 1996, was carried out by BMRB Qualitative on behalf of the Department of Social Security.

The study comprised 43 depth interviews with trustees from private sector occupational pension schemes. Trustees were selected to reflect a broad range of pension schemes in terms of size, scheme type (money purchase or final salary), insured or self-administered schemes, whether or not the scheme was contracted out of SERPS and the type of trustee (member, employer-appointed and pensioner). Fieldwork was conducted between November 1999 and January 2000.

Becoming a trustee While the larger schemes often had member trustees prior to the 1995 Act, it was now apparent that the appointment process had become more formalised, with nomination and election processes all in evidence since the implementation of the Act. In common with the previous study, employer-appointed trustees tended to become trustees through two routes. First, trusteeship of the pension scheme was one of the responsibilities associated with their job role, particularly for those who were the pensions manager or company accountant. Second, employers asked specific members of staff to take up the position of trustee, a request they felt was difficult to refuse.

Member trustees were appointed by a number of different routes. These included: being asked to stand for election by the sponsoring employer; nomination by scheme members and self-nomination.

Trustees had few expectations about their role prior to appointment, with little information about the role of pension scheme trustee being given to individuals even by the larger schemes in the study.

Respondents were generally very proud of their appointment as trustee as it reflected the confidence that others had in their abilities. This was particularly true for member trustees of large and very large occupational pension schemes. However, some employer-appointed trustees resented their appointment; trustees of many of the small, insured, schemes felt that the trustee role was pointless, given that it was the insurance companies and the financial advisers who, in their view, looked after the pension scheme.
Training

None of the trustees had experience of trusteeship before they were appointed. Trustees of the larger schemes tended to receive some training on appointment, although there was some feeling that this ‘overview’ was not fully adequate. In a change from the previous study, trustees of larger pension schemes tended to receive additional training through sessions provided at every trustee meeting. Amongst some of the larger pension schemes the Pension Act 1995 appeared to provide a catalyst for change. An increased emphasis on member-nominated trustees, documenting more fully the business of the trustee board and greater training all occurred around the time of the new legislation. Trustees of small schemes had not generally received any training, neither on appointment, nor since. There had been no change in the provision of training for trustees of small pension schemes since the Pensions Act 1995; with one or two exceptions these trustees showed little interest in finding out more about the trustee role.

In line with the previous study further training was requested by trustees of the larger schemes, particularly on issues such as investment and actuarial matters. Further training was required in order for trustees to become more conversant with accounting and actuarial practices as well as a general updating of pensions knowledge. This was particularly so for member and newly appointed trustees. Overall, trustees felt that training that was individually geared to their pension scheme was the most useful and did not feel the need for standard courses and examinations for trustees.

Trustees of small schemes, for the most part, did not want any training as they were not convinced about the usefulness of the trustee role and felt that it was for their paid financial adviser to deal with pension scheme issues.

The role and responsibilities of pension scheme trustees

Spontaneous awareness of the responsibilities of pension scheme trustees varied considerably. Reflecting previous findings, it was the trustees of the larger schemes who had the best understanding of the role, with the following being mentioned spontaneously: protecting members’ interests; ensuring the funds are safe; ensuring the investments were obtaining a good return; and making discretionary decisions, an issue that was particularly pertinent for the longer-established pension schemes.

In common with the previous research, trustees of small schemes, and particularly where the scheme was insured, had a very limited understanding of their role. In some cases the perceived role was no more than ensuring the funds were receiving a good return and in others making sure the funds were safe.

Once prompted with a list of possible responsibilities and duties, trustees of the larger pension schemes generally recognised most of them, although there was considerable variation in their depth of knowledge. These
trustees were less aware of some of the statutory requirements compared to other trustee duties. Trustees of small, insured, schemes demonstrated very limited understanding of their responsibilities, despite being prompted, again reflecting the previous study’s findings.

Trustees to the larger schemes felt that they were already operating good practices, prior to 1995, the effect of the Act being to formalise these practices. Indeed, many of these pension schemes undertook reviews of their practices prior to the Act coming into force and as a result a number of changes were made. These included:

- Trustee meetings became formalised, with greater emphasis on receiving reports from advisers and the production of more detailed minutes;
- The appointment of advisers had been placed on a more regular and formal basis;
- End of year audited accounts were produced – a new procedure for some of the medium sized schemes;
- Issues such as ‘whistle-blowing’, the Minimum Funding Requirement and the Statement of Investment Principles had been discussed and documented;
- Formal written procedures had been produced in relation to the disclosure regulations and member nomination procedures; and
- The business and decision-making of the trustee board was now recorded more fully and accurately.

For the larger schemes there were also many parallels between the current and the previous research. The size of the boards and the regularity of their meetings were broadly similar, although there was some evidence to suggest that with the appointment of member trustees there had been an overall increase in the size of trustee boards. Trustee meetings had also increased in length, particularly for the very large schemes, as a result of the introduction of training sessions to the trustee board meetings. It was the trustees’ opinion that these changes were as a direct result of the Pensions Act 1995.

As a consequence of increasing formalisation of the business of the trustee there was some evidence to suggest that employer-appointed trustees in larger schemes were now better able to distinguish their work and trustee roles, coupled with a sense that perceived responsibility for the scheme had shifted from the sponsoring employer to the board of trustees.

By contrast, while there had been some changes in practice amongst the small schemes in the study, the degree of change appeared to be small. This was particularly the case for very small, insured schemes. Where change had occurred, this usually included the production of audited accounts, a minuted pensions item on a management agenda, and in some cases a call for member representation. Mostly, however, small
schemes did not have member representation on their trustee boards, 
(some were exempt by virtue of their size) their pensions-related practices 
were largely unchanged and they relied extensively on their financial 
adviser to ensure that the pension scheme was complying with the legal 
requirements.

The 1995 Pensions Act requires pension schemes (not insured schemes) 
to provide a written statement of the principles that govern their 
investment decisions - SIPs. The larger pension schemes tended to have 
a well-tried policy although this may not necessarily be in written form 
but more of an 'understood' approach. Investment principles were often 
said to pre-date the 1995 Act, although the impact of the Act was to 
'sharpen up' existing statements and in other cases provide the opportunity 
for pension schemes to produce a Statement of Investment Principles.

Trustees of small pension schemes were not generally aware of SIPs.

With effect from July 2000, pension schemes are required to include in 
their Statement of Investment Principles whether they have taken social, 
environmental or ethical considerations into account in their investment 
policy. Trustees of small and medium-sized schemes, without exception, 
were not aware of this requirement. Awareness amongst trustees of the 
large schemes was minimal.

Reactions towards Socially Responsible Investments were mixed. While 
viewing the principle as worthy, trustees felt that the pension schemes 
were unlikely to adopt such a policy, the reasons for this being two-fold. 
First, such investments were felt to produce smaller returns than 
conventional investments and were thus at odds with the principle of 
maximising returns for members; and second, there were concerns about 
the difficulties in agreeing a definition for such investments.

Trustees of insured schemes assumed that the insurance company would 
take steps to comply with the legislation; they did not feel that the insurance 
companies would change their investment strategy, for the same reasons.

Awareness of Opra was higher amongst the trustees of larger pension 
schemes; some trustees of the small schemes were not aware of Opra.

Even amongst those who were aware of Opra, understanding of their 
role was minimal. Seen as a relatively new organisation that was yet to 
define its role, Opra was seen more as a policing organisation than an 
information-provider. It was also seen as having a reactive rather than 
pro-active approach.
In the United Kingdom most occupational pension schemes are set up voluntarily by sponsoring employers. To qualify for certain tax reliefs, the Inland Revenue requires occupational pension schemes to be established under trust law. Trust law also ensures that the assets of the pension scheme are kept separate from those of the employer thereby providing security for the members’ benefits.

The pension schemes are managed by trustees, whose duties and powers are principally outlined in three sources; in legislation; in trust law; and in the scheme documents (trust deed and scheme rules). Key legislative documents include, the Trustee Act 1925, the Trustee Investments Act 1961, the Pensions Act 1995 and most recently, the Welfare Reform and Pensions Act 1999.

Prior to the implementation of the Pensions Act 1995, in 1997, research was carried out (in 1996) to determine trustees’ perceptions and understanding of their role. The study provided a ‘benchmark’ against which any changes brought about by the Act could be evaluated. The Department of Social Security (DSS), wishing to assess the impact of the Pensions Act on trustees’ perceptions of their role and responsibilities, commissioned BMRB Qualitative to undertake a follow-up qualitative study to examine the role and responsibilities of pension scheme trustees following the implementation of the Act.

Broadly, the principal duties of trustees are to:

- act in accordance with the trust deed and rules;
- act prudently, conscientiously, and honestly – not to make any personal profit at the expense of the trust fund;
- act in the best interests of the scheme beneficiaries and not subordinate these interests to the trustees’ own or those of any third-party the trustee is connected with (e.g. the employer or trade union).

The Pensions Act 1995 introduced a number of key changes to the role of trustees. It clarified and formalised trustees’ legal responsibilities and defined more precisely how schemes should be managed. The Act also conferred new rights on trustees.

The key requirements of the Act affecting trustees are to:

---

• allow members of the pension scheme an opportunity to nominate and select trustees. The actual number of ‘member-nominated’ trustees on a trust board/company will depend on the size of the scheme. Members may, however, decide not to introduce ‘member-nominated’ trustees;
• adhere to the ‘minimum funding requirement’ – ensure that the scheme assets are sufficient to meet the liabilities, and to take action within a set time-span if they fall below a certain level;
• maintain a written statement of investment principles;
• formally appoint the scheme’s professional advisers;
• establish a dispute resolution procedure;
• ensure that proper records are kept of trustee meetings and that attendees are given 10 days' notice prior to each meeting; and
• communicate information to scheme members within a set time limit.

1.2 Aims of the study

The overall aim of this study was to explore trustees’ perceptions and understanding of their role, following the implementation of the Pensions Act 1995 in 1997. Within this overall aim, there were four main objectives:

• examine trustees’ perceptions and understanding of their role and responsibilities;
• explore whether there have been any changes in the roles and responsibilities of trustees and if so the reasons for these changes – are they the result of the Pensions Act changes or other factors?
• explore trustees’ views on their role and their relationship with other parties, in particular their sponsoring employer, scheme administrator and professional advisers and whether they feel that this has changed recently – and if these changes are the result of the Pensions Act 1995; and
• compare the findings of this study with those of the previous study.

1.3 Methodology

The research adopted a wholly qualitative methodology using face-to-face in-depth interviews. In-depth interviews are ideal for exploring peoples’ knowledge, awareness and understanding and, in this instance, disentangling whether any changes in the role and responsibilities of trustees were a direct result of the Pensions Act 1995 or other factors.

In order to maximise the opportunity to discover changes in trustee roles brought about by the Pensions Act 1995 the present study adopts a very similar research design and explores a broadly similar set of issues to the previous baseline research that was conducted in 1996.

The qualitative study entailed two phases. Phase one was developmental and involved face-to-face in-depth interviews with representatives from six key organisations in the pensions field. These included the National
Phase two comprised a total of 43 face-to-face in-depth interviews with occupational pension scheme trustees. The sample was drawn from the Pensions Scheme Register. This phase allowed for a detailed exploration of the trustees' understanding of their roles and responsibilities, and any changes they perceived since the implementation of the Pensions Act 1995. Appendix 1 provides a more detailed account of the recruitment strategy employed in phases one and two.

Researchers from BMRB Qualitative, trained in the techniques of non-directive interviewing, carried out all of the fieldwork. Each interview was guided by the researcher using a topic guide, or aide memoir, which enabled questioning to be responsive to the issues arising. The topic guide was developed in consultation with the DSS; a copy may be found in Appendix 2. Fieldwork was conducted between November 1999 and January 2000.

The interviews lasted approximately one and a half-hours, and were tape-recorded and transcribed verbatim. The verbatim transcripts were then analysed using an in-house analytical method, known as ‘Matrix-Mapping’. For a more detailed description of ‘Matrix-Mapping’, please see the methodological appendix at the end of the report.

The main stage of the research was undertaken throughout Great Britain: Southern and Northern England, London, Midlands, and Wales. The sample for this stage of study consisted of 43 occupational pension scheme trustees.

Participants were selected to ensure that a range of scheme types and trustees were included in the study, in terms of the following criteria:

- the size of the scheme;
- the type of scheme (defined benefit or defined contribution);
- how the scheme was administered (self-administered or insured);
- whether or not the scheme was contracted out of the State Earnings Related Pension Scheme (SERPS);
- the type of trustee (member-appointed, employer-trustee and pensioner trustee)\(^2\); and
- the trustees' length of service (as a trustee) with their current company.

\(^2\) See Glossary for a definition of these terms
Sample profile

<table>
<thead>
<tr>
<th>Type of scheme</th>
<th>Type of trustee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit</td>
<td>Member-appointed 16</td>
</tr>
<tr>
<td>Defined contribution</td>
<td>Employer trustee 25</td>
</tr>
<tr>
<td></td>
<td>Pensioner trustee 2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of administration</th>
<th>Length of experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self administered</td>
<td>Less than 3 years 10</td>
</tr>
<tr>
<td>Insured</td>
<td>More than 3 years 33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scheme size (active members)</th>
<th>Contracted out of SERPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-19</td>
<td>Contracted out 26</td>
</tr>
<tr>
<td>20-499</td>
<td>Not contracted out 17</td>
</tr>
<tr>
<td>500-4,999</td>
<td></td>
</tr>
<tr>
<td>5,000+</td>
<td></td>
</tr>
</tbody>
</table>

A detailed sample matrix can be found in the appendices.

1.5 About qualitative research

Qualitative methods use small, purposively selected samples. A qualitative approach is intended to provide understanding about, and illumination of, a set of issues. It cannot provide statistical evidence that can be generalised, numerically, to the broader population. The aim of qualitative methods is to define and describe the range of emergent issues rather than to measure their extent.

1.6 Report structure

The following chapter describes the routes taken to trusteeship and the motivations of individuals for taking up such a role. Also explored are the levels of awareness in connection with anticipated responsibilities, and the issue of information and training. The activities and involvement of trustees, with particular reference to board meetings and the relationships with professional advisers, are explored in Chapter Three. The role and responsibilities of trustees are identified in detail in Chapter Four. The changes in the role of the trustee, and the practice of the board since the provisions of the Pensions Act 1995 came into force in 1997 are explored in Chapter Five. The final chapter identifies trustees awareness of, and opinions of Socially Responsible Investments, Statement of Investment Principles and of Opra.
**1.7 Reporting conventions**

Verbatim quotations are included throughout the report as means of illustrating and illuminating issues and points raised by the trustees. The quotations are referenced using the following convention:

<table>
<thead>
<tr>
<th>Type of trustee</th>
<th>Type of administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET  Employer-appointed trustee</td>
<td>Insured</td>
</tr>
<tr>
<td>MT  Member trustee</td>
<td>Self-administered</td>
</tr>
<tr>
<td>PT  Pensioner trustee</td>
<td></td>
</tr>
</tbody>
</table>

**Scheme size (active members)**

<table>
<thead>
<tr>
<th>Scheme size</th>
<th>Scheme type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small 2-19</td>
<td>DB Defined benefit</td>
</tr>
<tr>
<td>Medium 20-499</td>
<td>DC Defined contribution</td>
</tr>
<tr>
<td>Large 500-4,999</td>
<td></td>
</tr>
<tr>
<td>Very Large 5,000 or more</td>
<td></td>
</tr>
</tbody>
</table>

The term ‘larger schemes’ is used on occasions in the report and refers to both the large and very large schemes with 500+ active members; the term ‘smaller schemes’ refers to small and medium sized schemes.
This chapter focuses on how individuals became trustees of occupational pension schemes and trustees’ motivations and feelings towards their appointment. It considers the levels of support received by trustees in terms of the information and training provided both on appointment to the role and during their term of office.

2.1 Routes to becoming a trustee

The routes to becoming a trustee differed for member and employer-appointed trustees. The process for the nomination of member trustees varied substantially between schemes. Often large and very large schemes had utilised member trustees prior to the introduction of the Pensions Act 1995. However, in these cases member trustees had not always been nominated by scheme members. A marked absence of member trustees was discernible amongst small schemes.

2.1.1 Employer-appointed trustees

Employer-appointed trustees indicated that they generally had little choice over whether they became a trustee of the pension scheme. Trusteeship was either part of their job role – usually by virtue of being the pensions manager or company accountant – or they felt that they could not turn down a request from the managing director of the company to act as trustee to the pension scheme. This is discussed more fully in Section 2.3.1.

2.1.2 Member trustees

The Pensions Act 1995 provides a specific definition for member-nomination. Trustees of small and some of the large schemes were not aware of this definition and could not indicate whether member trustees were nominated according to the procedures laid down in the legislation. By contrast, many of the larger schemes also indicated that they had specifically opted out of the member-nomination process as defined in the 1995 Act.

A number of member nomination processes were identified amongst the schemes participating in this study:

- The sponsoring employer asked any employees to stand for election and an election amongst staff then took place.
- Staff members were nominated by scheme members, and where more staff stood than were needed, an election took place.
- Staff nominated themselves and an election then took place.
- Staff nominated themselves, they were then interviewed and selected by the trustee board.

‘In total there were five [member trustee] applicants and I know there was at least four interviewed by what was the employer trustees then and they chose the person who they thought was most suitable.’

(ET, large, self administered, DB)
• The employer asked specific – usually senior managerial members of staff to stand, who were then interviewed and selected by the trustee board. Although these trustees were similar to employer-appointed trustees they were classified as member trustees by the scheme because they were appointed by the trustee board rather than the employer.

• Staff, often those holding a trades union position, were initially elected to a pensions committee by the employees of the company before joining the trustee board when a vacancy arose.

‘Originally elected as a plant representative so you may have three or four (or maybe even more, it depends how large the actual factory site is, you may have eight people that have been elected all around that particular factory so you’ve got a spread across the factory) and they’re elected to what they call ‘the plant pensions committee’ and from that committee then when a vacancy for a trustee appears through people leaving or retiring or what have you, when a vacancy appears then one of those committee members are put forward for an interview for the trustee’s post.’

(MT, very large, self administered, DB)

This process was thought to aid good practice, as trustees gained both knowledge and experience of the issues involved during an ‘apprenticeship’ period. Indeed, in one scheme trustees served a formal apprenticeship before becoming a trustee.

• Staff had been asked to nominate a representative(s), but when they declined to do so, management appointed themselves to the trustee board. In some cases these trustees were thought to fulfil the role of member trustees and in others employer-appointed trustees.

Considering the routes by which members became trustees, those where an interview process was involved tended to be confined either to medium, large and very large pension schemes or where there was Trades Union representation. Some of the small schemes were unable to find people willing to volunteer for the role of member trustee.

To some extent the trustee appointment process was linked to the levels of interest prevalent amongst staff. In some cases staff demonstrated high levels of interest whilst in others little or no interest was expressed. Indeed, some staff expressed some resentment at being obliged to take up the role of trustee.

‘No, I didn’t want to be a trustee. And I don’t want to be now, but I was virtually told to do it!’

(MT, medium, insured, DC)
Some trustees felt that the Maxwell affair, and ensuing legislation, had heightened interest in the organisation's pension scheme. However, there was a perception among trustees, that in overall terms interest in pension issues was declining among staff. Reasons given for this decline was felt to be due to the area being perceived as particularly “dry” or that people were too busy with their work to take an active interest in the pension scheme.

“We sent a voting form to all the members of the scheme two or three years ago to ask them whether they wanted a member nominated trustee or not and they didn’t, nobody suggested that they did so on that basis we left it.”

(ET, medium, insured, DC)

2.2 Period of appointment to the trustee board

Whilst appointment to the trustee board for employer-appointed trustees was often, particularly among smaller schemes, on an open basis, the appointment of member trustees was generally for a period of three years, irrespective of the size of the scheme. In some cases this was automatically extended at the end of the term, in others members had to be re-elected. Although there was felt to be some merit in having long-serving trustees as they had developed the knowledge and experience of the necessary issues, some felt that the imposition of a maximum term would be fruitful as it would bring ‘new blood’ on to the trustee board.

“I think it’s not a bad thing to have a maximum term that trustees can serve. I don’t mean four years, I mean something longer than that. I think if you’re on a body for say twelve years there’s a danger that you begin to run out of steam.”

(ET, large, self administered DB)

Amongst small, insured, schemes the appointment to the trustee board of employer appointed trustees tended to be on a permanent basis. These trustee boards usually consisted of the managing director and another company director as a minimum. An independent financial adviser would usually attend trustee meetings in an advisory capacity.

In some cases trustees of small pension schemes were not aware of whether they had a prescribed term of appointment.

2.3 Reasons for becoming a trustee

A number of themes emerged which characterised the reasons people attributed to becoming a trustee. These common themes allow for the development of a typology of trustees’ motivations and are described below.

2.3.1 ‘It came with the job’

Among employer-appointed trustees the role of trustee was often inextricably linked to their position within the company. Often those working in areas of finance were deemed most appropriate, indeed the role was often perceived as a natural extension of their position. Trusteeship was for the most part linked to seniority of position.
‘It went with the job I think. That was it, there wasn’t any question.’

(ET, large, self-administered, DB)

‘It was part of the job. I took over from the Pensions Director when he retired. He was a trustee so it was seen to be part of the responsibilities.’

(ET, large, self-administered, DB)

‘I was given the job by the MD. Not one I wanted but there you go. Can’t always do what you want’

(ET, large, self-administered, DC)

2.3.2 ‘Pensions as hobby’

These trustees could be either member or employer-appointed. They were linked by a strong personal interest in pensions and for many this interest had increased as they themselves neared retirement age.

For others there was the factor of introducing a new interest into their working lives.

‘It seemed to me to be an opportunity to just bolt on a new interest to my working life.’

(MT, large, self administered, DB)

2.3.3 ‘The altruist’

Some trustees shared altruistic tendencies towards fellow scheme members. There existed a desire to protect members’ interests, to improve the scheme and to increase awareness of pension issues amongst staff.

‘If I can get people interested in pensions, I get a buzz out of it.’

(MT, large, self administered, DB)

‘I’m happy to be looking out for other people.’

(ET, large, self administered, DB)

2.3.4 ‘Trustees by default’

These trustees were most likely to be found within organisations employing small numbers of employees. The schemes were small and were likely to be perceived as the responsibility of the insurance company. Trustees were likely to be either the Managing Director or a Director of the company to whom the responsibility had fallen as a result of their position. Trustees in these cases were likely to be characterised by low levels of knowledge and interest concerning the scheme. The role was often perceived as one of ‘rubber-stamping’ information received from the insurance company. Nevertheless, the role of trustee was one that they recognised as having and when asked to describe their overall responsibilities towards the company would include that of being a pension scheme trustee.

‘It’s purely and simply by default I would say.’

(ET, small, self administered, DC)
Although similar to the ‘trustees by default’ a further typology which was identified was the ‘am I really a trustee?’ group. The main differences between these two groups were four-fold. First, they were more likely to be senior managers rather than Managing Directors or Directors of the company. Second, they were usually given the role of trustee without discussion. Third, they were less likely to spontaneously mention the role of pension scheme trustee as one of their company roles. Fourth, whereas those identified as ‘trustees by default’ were likely to have some knowledge, the ‘am I really a trustee?’ group were likely to have little, if any, knowledge of their role or the scheme and demonstrated no desire to acquire this knowledge.

This type of trustee was found amongst small schemes. They were often found to be unaware that their relationship with the fund was one of trustee: this was accompanied by a lack of knowledge of pensions issues. The scheme was perceived as the responsibility of the insurance company and they had only occasional dealings with the pension scheme.

For some respondents there was a marked lack of understanding of who the other trustees of the scheme were, often linked with confusion as to whether this was likely to be the independent financial adviser or accountant. There was often some resentment over having to be a trustee.

‘Trustee being the one who actually looks after it? The paperwork ….
Whether I’m a trustee or whether the accountant is, that doesn’t matter does it?’

(ET, small, insured, DC)

‘To be honest it’s a waste of my time. Petty government bureaucracy.
Pointless really.’

(ET, small, insured, DC)

Trustees tended to be aged between 40 and 70. The interest in pensions, for both member and employer-appointed trustees, had often emerged in later life as their own retirement drew nearer.

‘Maybe it’s because of my age, I can see myself getting the benefit of it.’

(ET, very large, self administered, DB)

None of the trustees participating in the study had any previous experience of trusteeship, although some had been trustees for a number of years. Both member and employer-appointed trustees tended to be long term employees of the sponsoring company. Within larger schemes employer trustees were most likely to hold a financial position which in some cases also included a company management role, whereas in small organisations this was most likely to be the Managing Director. Member trustees held a variety of positions, ranging from training officer, credit controller, and administrator to delivery driver, and irrespective of scheme size, there was little connection between job position and trusteeship.
2.5 Expectations of trusteeship

Across the range of schemes, participants had few expectations prior to appointment.

‘I had an open mind about it. I mean it was a new learning experience. So no I didn’t have any specific expectations.’

(MT, large, self administered, DB)

Trustees were often found to have very little understanding of what their role would be or indeed what was required of them as a trustee.

‘I didn’t think I’d be going head first into a very large job.’

(MT, large, self administered, DB)

In only a few instances trustees had received information regarding the role they would be expected to play. Even among larger schemes, information given to trustees prior to appointment was scant.

Expectations were usually linked to general ideas of monitoring the overall welfare of the scheme, but few had any idea of the detail of the role they would play as a trustee.

In a very small number of cases trustees had served a trustee ‘apprenticeship’, completed either through a formal scheme overseen by the trustee board or via involvement with pensions matters as a trade union representative. These trustees had a far greater awareness and knowledge of what their role as a trustee would entail.

2.6 Feelings towards appointment

Member trustees generally felt a sense of personal achievement regarding their appointment. Indeed, trustees were often very proud of their position as a trustee as it was seen as a position to which kudos was attached. If elected by staff members trustees were happy that their peers had shown confidence in them.

‘I was pleased to think that people thought I had the right attitude and responsibility to do it conscientiously.’

(MT, large, self administered, DB)

‘I was quite tickled if you like to think that my colleagues would elect me for that kind of office and I think there was a certain amount of that in it. Sort of personal achievement if you like.’

(MT, large, self administered, DB)

In some instances where trusteeship was an expected extension of their position, employer appointed trustees displayed ambivalence towards their role.

‘I look at my job description and responsibilities of being Chairman of the pension fund doesn’t appear anywhere, so it’s something that’s done as an extra, so it doesn’t feature top of my agenda on a day-to-day basis’

(ET, large, self administered, DB)
However, others took an active interest in the scheme. These tended to be people who: did not feel pressurised by the employer to take up the position of trustee; had a personal, rather than professional, interest in financial and pension related issues; and overall had an interest in staff welfare issues.

‘I’ve always been concerned for all the staff, not just myself. I’m not a union-type person but a company person I suppose. I want the staff to feel that the company is interested in them as individuals and not just employees. That’s where I come from.’

(ET, large, self administered, DB)

There were also some trustees, mainly trustees of small schemes, but also apparent across the larger schemes, who felt that the role had been pushed upon them. Feelings ranged from disinterest to resentment.

‘I have no interest at all. I wish I wasn’t. I was asked – well told – to do it by my MD. And you do what your MD tells you to do.

(ET, medium, insured, DC)

2.7 Information received

Trustees of larger schemes had often received a copy of the handbook ‘The Role of the Pension Scheme Trustee’ published by the Occupational Pensions Regulatory Authority (Opra), the scheme rules and trust deed plus assorted leaflets, upon appointment to the trustee board. In most cases newly appointed trustees were totally reliant upon advisors or other trustees for information. In the case of larger, self-administered schemes, information was most likely to be provided by an internal pensions department administrator. In some cases the Pensions Manager circulated reading materials. Smaller schemes tended to be totally reliant upon either their independent financial adviser or insurance company for information, from whom provision of information was said to be very variable. Trustees of small, insured, schemes often did not receive information relating to the scheme or their responsibilities as trustees upon appointment. Among this group, even some of those who had been in the role for a number of years had, in some cases, little more than annual accounts relating to the scheme.

‘I’ve got good advisors who will make sure I get to know what I need to know.’

(ET, large, self administered, DB)

Some trustees were proactive in keeping themselves updated with pensions-related issues. This was most likely to take the form of reading specialist pensions magazines, or the financial press.

‘It is a continuous learning process and that you should make sure you do all of the reading and self development that is necessary to give you the kind of knowledge that you need to make you feel comfortable and be confident. And that is what we do. I have a whole load of things. Our Pensions Manager is continually circulating us with interesting learned papers that she picks up from wherever she picks them up from.’

(MT, large, self administered, DB)
However, only a few employer-appointed and member trustees actively kept themselves up to date. It tended to be confined to those, either employer-appointed or member trustees, with financial backgrounds, or a financial or pensions-related role, within the sponsoring organisation; or in some cases, member trustees with a specialist interest in the pensions area.

### 2.8 Training

#### 2.8.1 Training received

None of the trustees, neither employer-appointed nor member trustees, had any experience of trusteeship prior to their appointment. Indeed it was common for member trustees and some employer-appointed trustees to have little, if any, knowledge of pensions issues prior to their appointment to the trustee board. Where member trustees did have existing knowledge, this usually arose from an interest in pensions issues, having a financial role within the company or being actively involved with a trade union.

‘I got to sit in on the committee meetings and learn about what went on so that was helpful.’

(ET, large, self administered, DB)

‘Myself and two other people from the Union went on a five-day regional pensions course, through the Union, which I found very interesting…. I followed that regional course with a national course with the Union, which was a week’s residential course in Eastbourne, and that coincided with the introduction of the Pensions Act, and soon afterwards the nominations came round for Member Nominees of Trustees, and I put myself forward for that.’

(MT, very large, self administered DB)

Within large schemes training was perceived as an absolute necessity. Among smaller schemes the need for training was often at the prerogative of individual trustees.

‘For a person to go and sit in a trustee board meeting without having some education, I think would be unforgivable.’

(ET, large, self administered, DB)

#### 2.8.2 Initial training

Trustees of large schemes had generally received training when appointed, usually led by an external organisation for example NAPF, an actuarial company or by the scheme advisers. These introductory courses covered, as a minimum, the roles and responsibilities of trustees. Some trustees felt that the initial training they received was simplistic due to time constraints and had wanted the course to be more detailed. Others, however, felt that the course had provided an adequate overview. There was often a perception among trustees that because of the depth of information needed in their role as a trustee, initial training should provide a general overview but be followed up with more detailed sessions.

‘We didn’t go too deep, well you can’t in two days can you? But it was good insight into being a trustee.’

(MT, large, self administered, DB)
Amongst small schemes trustees had often received little if any training upon appointment.

2.8.3 Further training

Among large schemes trustees were likely to have received further training regularly throughout their career as trustees. This most usually took the form of internal training seminars. These internally run sessions were perceived as superior to external training programmes as they were tailored to the scheme. These sessions were often run as ‘top-up’ sessions in conjunction with trustee board meetings (see Section 2.8.4 where this is discussed in more detail).

‘In-house that is tailor-made to our scheme is more relevant.’

(ET, large, self administered DB)

‘It’s relevant to our scheme, something that’s going to mean something to us in our scheme rather than doing the broad picture of trustee training – it’s specific shall we say with the idea of actually pointing it to our scheme.’

(MT, very large, self administered, DB)

Considerable emphasis was placed on learning from experience; trustees often perceived themselves as ‘junior’ trustees when first appointed. Trustees’ development in their role was believed to be mainly derived through practical experience.

Trustees of small, insured, schemes often relied on independent financial advisers or insurance companies for information about the scheme and their responsibilities. In these instances little, if indeed any, emphasis was placed on training provision, either on appointment or during their career as trustees. Often these trustees were unlikely to perceive training as necessary. ‘Pensions knowledge’ was perceived as a specialist area for which the company had employed the professional services of an independent financial adviser or accountant.

Concern was voiced among some member trustees and trustees of small self-administered schemes about the technical terminology often used on courses or in information. Whilst larger schemes had internal pensions staff to simplify information for trustees, trustees of small schemes who had received training did not have this resource.

In some instances, particularly amongst small, self-administered schemes trustees had proactively sought initial and further training provision. In one instance, after the introduction of the Act an employer-appointed trustee had made the receipt of training a condition of appointment to the trustee board.

2.8.4 Training after the Pensions Act 1995

There was some evidence to indicate that training had become more of a priority since the Pensions Act 1995. Amongst the larger schemes trustees had received training in connection with the legislative changes introduced in the Pensions Act 1995. This was most often provided through internal seminars run by the scheme's external advisors.
Trustees of large schemes perceived training to be of greater importance in light of the legislation. Trustees were aware that they were now personally liable for the scheme and were therefore anxious to receive training that would enable them to carry out their duties in line with the legislation.

‘Post the Act it's a much more responsible thing and you really need training.’

(MT, large, self administered, DB)

The Act requires the sponsoring company to release trustees for training purposes when required. In all cases where trustees needed to take time off work for training purposes their employer was happy for this to occur. Training was not a new concept for many of these schemes, but since the Pensions Act there had been a greater emphasis placed on training such that some schemes now incorporated an element of training into every trustee board meeting. This was not so for the small, insured, schemes and in some cases the medium sized schemes. Trustees of these schemes had received little, if any, training or information in connection with the Pensions Act.

2.8.5 Training required

Trustees of larger pension schemes were often keen to have further training. Initial training was often felt to be too simplistic, even though it provided a useful overview. Many now felt they needed more detailed information and training. Issues relating to investment and actuarial accounts were often raised as issues for which further training was required.

Amongst small, insured, schemes there was little demand for training as the responsibility for the pension scheme was felt to firmly rest with the insurance company or the financial adviser. However, in some instances the research process seems to have acted as a catalyst with some respondents realising that they had little knowledge of their roles and responsibilities as a trustee.

‘The more that you draw attention to the subject the more … as an individual I've become aware of what I probably ought to be looking at.’

(ET, small, insured DC)

2.8.6 Views concerning certificated training

There is very little formal, certificated, training designed for pension scheme trustees, although many investment houses and actuaries provide training sessions. However, training companies on behalf of the Pensions Management Institute (PMI), do offer certificated courses for trustees. Awareness of these certificated courses was very low, even amongst the large schemes. However, there were two trustee boards where trustees had been required to take exams. In one of these cases all the trustees had failed, while in the other scheme the participant had failed the exam twice but had remained on the trustee board.
Trustees were asked about the principle of trustee training courses which were certificated. Overall, there was a perception that practical experience of trusteeship was of greater use to trustees than certificated training, although none of those with this view had seen or attended any of the certificated courses available. Indeed some trustees suggested that the formality of certificated training may ‘frighten off’ those who could potentially become good trustees.

‘It’s a bit too general … once one’s been a trustee for a little while one really needs to do training relevant to the scheme that they’re actually trying to administer.’

(MT, very large, self administered, DB)

‘I don’t want to undervalue the importance of a certificate, but I guess I don’t see the value that it would give to our trustees. Would it make them feel good? Possibly. Would it make them better trustees? I don’t think so … I don’t see that adds any value.’

(ET, large, self administered, DB)

‘Good trustees don’t have to pass exams, good trustees are people who can get the right level of education and deliver valued judgements.’

(ET, large, self administered, DB)

There are considerable similarities between the present research and that conducted during 1996. Member trustees were generally appointed via the same routes and had broadly similar motivations for becoming a trustee. There appeared to be no change in how employer-appointed trustees were appointed to the board. Both studies reported that a majority of trustees had a lack of prior, relevant, experience. Terms of office and periods of appointment were very similar. Perhaps the only apparent difference with 1996 was the higher level of resentment expressed by current trustees of small, insured, schemes who felt that the trustee role served no purpose and was neither of use nor value to them.

While there was a similar pattern in the amount of training provided to trustees between the periods of research – trustees of small schemes generally received very little, if any – there appeared to be a difference in the amount of training received by different trustees within trustee boards. In the previous research longer established trustees tended not to receive training. There was also some evidence to suggest that member trustees were keener to receive training than employer-appointed ones.

2.9 Changes since the Pensions Act 1995

It should be noted that these interviews only considered the principle of certificated courses. Comments about the PMI course were not sought, neither were any PMI training materials used during the interviews or shown to the study participants.
However, in the present study there appeared to have been some changes. In large schemes all members of the trustee board received training, usually as a part of a trustee board meeting. There also appeared to be less reluctance in the present study among employer-appointed trustees to receive training. In most cases, the greater emphasis that had been placed on training had begun before the provisions of the Pensions Act 1995 had come into force, but appeared to be as a direct result of the Act.

Similarly, there appeared to be more on-going training amongst the larger pension schemes compared to the previous study. However, the lack of training received and the lack of understanding of the need for training, amongst trustees of small pension schemes does not appear to have changed since the implementation of the Pensions Act.
Adopting an identical procedure to the 1996 baseline research, respondents were initially asked, without prompting, what they considered to be the roles and responsibilities of the pension scheme trustee.

They were then shown a list of key roles and duties (See Appendix C) and asked which, as a trustee of an occupational pension scheme, they felt was their responsibility. Finally, they were asked how they would ensure that these responsibilities were fulfilled.

The following sections discuss in detail both the spontaneous and prompted responses of the trustees.

There were considerable variations across the sample of trustees. However, it should be noted that the most variation is accounted for by the size of the scheme. Overall, trustees of small, insured schemes had the least awareness and understanding of the trustee role; trustees of larger schemes, both insured and self-administered, tended to be much more knowledgeable. Trustees of self-administered, defined benefit pension schemes tended to talk more about their role in defining the schemes’ investment policy compared to those of defined contribution schemes, but otherwise there were no apparent differences in the understanding of their role. Whether the pension scheme was contracted-out of SERPS or not did not appear to make any difference to trustee awareness and knowledge.

The variation across the sample of trustees in their spontaneous awareness and understanding of their role was striking. Indeed, the reactions ranged across the interviews from a very detailed and knowledgeable response to a ‘thinking pause’ and an offer to ‘get the book out’. For the most part it was the trustees of the large and very large pension schemes who offered the most detailed response and could name a greater number of responsibilities. The most common aspects mentioned spontaneously by trustees of these schemes were:

- protecting members’ interests;
- ensuring the funds are safe;
- ensuring the investments were obtaining a good return; and
- making discretionary decisions, an issue that was particularly pertinent for the longer-established pension schemes.
Other aspects mentioned included:

- considering the overall investment policy of the pension scheme;
- ensuring that the administration of the scheme was accurate and up to date;
- ensuring that the employer meets their obligations to the pension scheme; and
- making sure that payments to the investment funds are made on time.

However, even amongst trustees from large schemes there were variations. For example, trustees who had only recently been appointed tended to have a very limited understanding. Overall, the employer-appointed trustees and the pensioner trustees (both of whom had been employer-appointed trustees) gave very full descriptions of the trustee role although some member trustees were also able to do this. Member trustees who had a long-standing interest in pensions and those who had a Trades Union background also had a good spontaneous knowledge of their role as a trustee.

'I take the pension scheme very seriously and have made it my business to understand as much as I can. My role and responsibility? To ensure that the employer meets their obligations, make sure the investments are doing well, check that the administrators are up to date, generally protect the members' interests, help make decisions – discretionary decisions – I try to keep up with the law on pensions…that's about it I think.'

(MT, large, self-administered, DB)

'Overall I would say it is to ensure the funds are safe and make sure that we get as good a return as possible – our overall responsibility to the members. And then there is all sorts of other things – appointing advisers, ensuring the admin is up to date, discretionary decisions – and we have a lot of those – keeping abreast of the legislation.'

(PT, large, self-administered, DB)

Trustees of medium sized schemes and some small, long-established, pension schemes offered a less detailed response, but nevertheless, covered many of the responsibilities mentioned above.

By contrast, the overall response of trustees of small pension schemes demonstrated a very limited spontaneous understanding of their role and responsibility. In some cases they perceived the role as no more than ensuring the investments were getting a good return, or ensuring that the members' funds were safe. By this, the trustees tended to mean that the funds were being invested by a reputable investment company.

'I'm not really sure…I've got a booklet somewhere that I could get out and tell you…we have the scheme booklet somewhere…well, thinking about it we obviously need to make sure that the money is safely handled so we use [insurance company] to do that and we check every year to see that the investment is growing.'

(ET, small, insured, DB)
For some of the trustees of small, insured, schemes it was clear that the interview was probably the first time they had given any thought to the question of their role and responsibility in relation to the pension scheme. Mostly, this group of trustees did not feel that they had a role, other than checking that the investment was increasing on an annual basis. A number of trustees of small, defined contribution, insured schemes explicitly said that they were a trustee only in name and that it was for their insurance company and/or their independent financial adviser to look after the pension scheme.

‘I’m a business man. I run a factory here. I don’t have the skills or the interest to get involved. I leave that to my adviser (independent financial adviser). That’s what I pay him for. He advises me and I do it… the pension scheme is of no interest to me other than knowing that it is growing.’

(ET, small, insured, DB)

‘No one really said what was involved. They probably said a couple of meetings a year and that was it.’

(ET, small, insured, DB)

The list of responsibilities and duties shown to trustees participating in the study were as follows:

- know about the scheme rules and trust deed;
- be sure the scheme complies with statutory requirements, including for example contracting out requirements, disclosure regulations and whistle blowing requirements;
- know what the sponsoring employers’ obligations are;
- have overall responsibility for investment decisions and ensure that the scheme’s assets are invested in the best interests of the beneficiaries;
- act in the best interests of the beneficiaries, balancing the interests of the different classes of member (active members, deferred members, pensioners);
- ensure the scheme is properly administered;
- make discretionary decisions;
- appointing advisers; and
- communicating with members.

While trustees of the large and very large pension schemes and some of those who were trustees in medium-sized schemes recognised most of these as trustee duties there was considerable variation in the depth to which they were understood. Overall, these trustees were less clear about a number of the statutory requirements compared to some of the other trustee duties. While some trustees of small schemes exhibited a degree of knowledge about the list of duties presented to them, overall, awareness and knowledge were very limited. Few could discuss these issues in any detail, often indicating that these issues were the remit of their financial adviser rather than themselves.
Each of these responsibilities and duties are discussed in turn below.

3.2.1 The scheme rules and trust deed

The trustees in the study were generally aware that the pension scheme had a trust deed and a set of scheme rules, although there were a handful of trustees of small schemes who did not demonstrate any recognition of this. Those who were aware of these documents tended to recognise that the pension scheme should operate in accordance with them.

While there was some indication that the trust deed and the scheme rules were seen as a reference document, only a few trustees had any detailed knowledge of the contents. Those with a more sophisticated understanding tended to be employer-appointed trustees of large schemes, usually with a pensions or financial background, or had been a long-standing trustee and built up their knowledge over time.

‘Oh yes, I have a copy of the scheme rules right here…I always keep it in my trustee file so that I can refer to it…no, I find it relatively easy to deal with but that is because I have dealt with pensions for years in my role here at [company] and in my previous employment as well.’

(ET, large, self-administered, DC)

Among the small pension schemes, only those trustees with a particular interest in pensions had any knowledge about the contents of the trust deed and/or scheme rules. For the most part trustees of small schemes assumed that the trust deed and scheme rules were more to do with the insurance company than with them and relied very heavily on their financial advisers to ensure that the pension scheme was set up and operating in accordance with the scheme rules.

‘Frankly I leave it up to [independent financial adviser]. I know the thing [trust deeds and scheme rules] exists and I remember looking at it once but it’s not for me to understand. I leave that to someone else, as I said.’

(ET, small, insured, DB)

Overall, none of the trustees irrespective of scheme size felt that they had a particularly thorough understanding of the trust deed or scheme rules. Rather, they generally knew where to find it, if required, but they were more likely to ask for professional advice if a query arose. For the larger schemes, queries might be directed either to the scheme administrator, accountant or legal adviser; for the small schemes it would be the financial adviser, legal adviser, or possibly the insurance company who would be contacted for advice.

There was some evidence to indicate that the trust deeds and scheme rules could be difficult to read and understand. The documents were felt to be written ‘in archaic, arcane, legalese’ that made the documents very inaccessible. This was felt to be particularly so for some of the older pension schemes. One of the large pension schemes was in the process of re-writing the scheme rules in order to make them more accessible to the trustees and more useable in the case of query.
Trustees, without exception, recognised that pension schemes were governed by legislation and that there would be a number of statutory requirements with which they needed to comply. Not all statutory requirements were relevant to all schemes participating in the study, for example the minimum funding requirement does not apply to defined contribution schemes, and obviously, contracting-out regulations are only relevant to schemes where the scheme is contracted-out. The following statutory requirements were used as a prompt to illustrate the types of legislation relating to pension schemes:

- Inland Revenue requirements;
- contracting-out regulations;
- scheme administration regulations;
- investment regulations;
- disclosure regulations;
- member-nominated trustee regulations;
- preparation of audited accounts regulations;
- internal dispute regulations;
- minimum funding requirement (MFR);
- modification of scheme regulations; and
- whistle blowing requirements.

Detailed knowledge of the regulations governing pension schemes was limited to those trustees who had extensive pensions experience usually as a result of being employed as a pensions manager or pensions director. Consequently, it tended to be the employer-appointed trustees and pensioner trustees (both of whom had been employer-appointed trustees) who were most knowledgeable about pension scheme regulations. However one or two member trustees had acquired knowledge of specific aspects of the legislation through their job role within the company.

Among relevant schemes, regulations concerned with the Inland Revenue, contracting-out and disclosure were the least well understood. Knowledge of many of the others was sketchy. Trustees of small pension schemes were not familiar with any of the regulations; with those concerning the Inland Revenue, contracting-out, disclosure, internal dispute resolution, minimum funding requirement and whistle blowing being the least well recognised and understood.

Again, heavy reliance was placed on professional advisers. Small schemes relied on their financial adviser and the insurance company with whom the funds were invested. Sometimes trustees sought the guidance of a legal adviser. Larger schemes were also reliant on professional advice, either from an external adviser or in the case of large pension schemes from the scheme administrator.
These issues are very complex. I recognise most of them – what’s the whistle-blowing regulations – disclosure yes, dispute –yes, MFR – yes. Yes, most of these I recognise but I couldn’t put my hand on my heart and admit to knowing about all of these. I think, and the trustee board I think would agree, are for us to know about and for advisers to tell us about.

(MT, medium, self-administered, DB)

I don’t recognise any of these as my responsibility. They are far too technical. I don’t even think I need to know about them, after all that’s what I pay my accountant and my adviser for.

(ET, small, insured, DB)

### 3.2.3 Ensuring that the sponsoring employer fulfils their obligation

Employer obligations were generally seen to be:

- paying the correct contributions to the pension scheme; and
- making the payments to the fund managers on time.

Adherence to these was usually ensured in two ways for medium to very large schemes. First, scheme administrators were required to demonstrate through record-keeping that the correct payments had been made, and on time. Second, there was often also a mechanism in place by which the investment managers would inform the trustees if the expected funding had not been received. For small schemes it was usually a company director/trustee who signed or authorised the payments made to the investment house (usually an insurance company) on behalf of the employer.

Most of the trustees recognised that there was a distinction between the role of trustee and the role of employer and that pension contributions were to be kept separate from other company funds. For trustees of large pension schemes the distinction between the roles of employer and trustee was not difficult to maintain. However, there were some instances among large schemes, where it was felt that the employer-appointed trustees had greater regard for the employer and did not necessarily recognise the balance between the employers’ obligations and the rights of the beneficiaries. For trustees of small schemes the role of trustee and employer were often held by the same person; if a conflict of interest arose they felt that it would be their employer ‘hat’ that they would be wearing, rather than that of trustee.

### 3.2.4 Ensuring that the scheme’s assets are invested in the best interests of the beneficiaries

Overwhelmingly, trustees recognised that it was their responsibility to ensure that the scheme’s investments were in the best interests of the beneficiaries. The way in which this was ensured depended to a large extent on the size of the scheme and whether it was insured or self-administered.

Trustees of large pension schemes tended to monitor the scheme’s investments very closely, usually at each trustee meeting, held on a quarterly basis. Some schemes invited the investment managers to each of the quarterly meetings, while others received a detailed report from each of the investment managers and arranged meetings on a half-yearly or annual basis.
'Oh, we are particularly hot on the investments – checking them. We have a detailed report before every [trustee] meeting and the investment managers come in on a rotational basis to every meeting. We talk to them in great detail and look at how the investments have done'.

(MT, large, self-administered, DB)

Some trustees mentioned the criteria they set for the investment managers. By way of example, one pension scheme was said to require investment performance of a minimum of ‘two percentage points over the FTSE 100’.

Amongst the larger schemes an investment sub-committee was often charged with reviewing the overall investment strategy and making recommendations to the main board.

There was some evidence amongst the larger schemes of recent changes in investment managers as a result of their regular investment review. In one instance the scheme had recently had a complete change in investment strategy as a result of a review by the actuary and a medium-term concern about the level of investment returns.

There were a small number of schemes where the trustees had decided to change their investment manager, usually moving from one company to another. There was some suggestion that it was more difficult to move insured schemes in comparison to those that were self-administered, and trustees perceived difficulties in changing the insurance provider, although it was often difficult to understand fully why this should be so. Partly, it seemed that insured funds were usually managed through a financial adviser or a broker, this additional link making it more difficult to make changes (see Section 4.8.1). In addition, it was implied that the nature of insured pension schemes made it more expensive to change insurance companies.

Trustees of small, insured schemes tended to monitor the fund’s performance less frequently, but nevertheless did so with equal commitment. After all, as one employer-appointed trustee said, ‘this is as much their money as it is mine’. Generally the smaller schemes reviewed the investment performance annually, putting their trust in their accountant and/or financial adviser to make recommendations as to whether any change was necessary.

Finally, in relation to insured funds, trustees felt that they had far less control over how funds were invested – this was entirely up to the insurance company. By comparison, trustees in self-administered schemes could exert more control over investment simply by advising the investment managers. The apparent lack of control over the investment of insured funds was both an advantage and a disadvantage. The advantage was that all the investment decisions could effectively be devolved to the insurance company and provided the investment returns were good the trustee needed to have little involvement. By contrast, for those trustees
who wanted to exert more control or who were not entirely content with the investment returns could find the lack of control a disadvantage.

‘Personally I’d like to tinker more with the investments as I think we could get better returns by switching the funds across the markets but I can’t do that because it is all determined by [insurance company].’

(ET, small, insured, DC)

The trustees generally recognised the need for a properly administered pension scheme and most thought that it was their responsibility to ensure this. However, trustees of small pension schemes found it difficult to describe in any detail how this was achieved and felt that this responsibility was mainly delegated to the insurance company or their financial adviser. For these trustees administration mainly referred to distributing the annual pension statements.

These trustees did not feel that they were in a position to check whether the scheme was being properly administered and relied on the professionalism of their financial advisers. It was only when problems arose that they realised that the administration had been less than acceptable.

‘We decided to move the money to a different [investment] company. Our brokers had been taken over. They were a local firm and were taken over by one of these regional firms. When we came to move the scheme we found that the previous brokers had got into a terrible mess with the paperwork and that the records were incomplete…this was two years ago and we are still having problems even now.’

(ET, small, insured, DB)

For the larger schemes, particularly those that were self administered, ‘proper administration’ included a number of functions:

• receiving and checking reports from external and internal advisers;
• requiring the scheme administrator to attend and present to the trustee board meetings;
• trustees arrange visits to the pensions administration department and talk to staff about their administration processes;
• ensuring the scheme has been audited; and
• in a small number of cases developing administration checklists that were used, and signed off, in trustee board meetings.

For many of the trustees the issue of discretionary decision-making had yet to occur. As a consequence, while they recognised that they may have to make discretionary decisions they felt that they were not yet in a position to say how. This was particularly true for the trustees of small schemes as well as larger schemes that had been set up relatively recently.
For those who had experience of making discretionary decisions feelings were mixed. Overall, making this type of decision was considered to be very difficult and often required considerable debate. The large schemes often had a sub-committee which dedicated its time to discussing the issue and then making recommendations to the full trustee board. In some cases specialist reports would be commissioned, with discretionary decisions involving a person’s health being a prime example. Similarly the trustees of small schemes would discuss the issue and take advice from their financial adviser. In some cases the views of the managing director of the company – who would also be a trustee – were felt to predominate.

3.2.7 Appointing advisers

Trustees generally recognised that the appointment of advisers was their responsibility. For small schemes the adviser was usually an independent financial adviser and often involved in other aspects of the business. Trustees of small schemes, most of which were insured schemes, were heavily reliant on their financial advisers. In most cases the relationship between the trustees and the adviser was said to be very good, although there were some instances where the relationship had deteriorated. Difficulties had usually arisen for one of two reasons: a desire to change the investment company with the financial adviser being uncooperative; and discovering that the adviser had not kept administrative aspects of the pension scheme in good order.

Trustees of large schemes tended to deal with a wider range of advisers, some of whom were permanent, others appointed for specific purposes. Typically, the more permanent advisers included an actuary, investment manager(s) and legal adviser. Specialist advisers would be brought in on an ad hoc basis and might include, for example, a health consultant or industrial injuries consultant for cases where a discretionary decision was required.

Not all the trustees interviewed had experience of appointing advisers. Those who did, discussed how advisers were invited to make a presentation followed by questioning from the trustee board. Generally the less experienced trustees took their lead from those who were more experienced.

There were a small number of instances, mainly mentioned by trustees of medium and large pension schemes, where they were felt unable to change their advisers, particularly the actuary and the financial adviser because they were retained by the company to service the group as a whole. For example:

‘I have found it difficult at times because I’m never sure where the financial adviser would sit regarding the scheme because he is also the company’s adviser too. The group employs the services of a number of professionals which includes an actuary, a financial adviser, a legal adviser…and expects
the trustee board to use them too. They are effectively already paid for I suppose so it makes it difficult.’

(ET, medium, insured, DC)

3.2.8 Communicating with members

There were very mixed views about whether the trustees’ role included communicating with members. For example, trustees of small, insured, schemes often felt that the extent of their communication was limited to the distribution of pension statements. Any other information was to be obtained from the independent financial adviser or insurance company with the employer acting as a pipeline if required.

Trustees of larger schemes varied in their response, with no clear pattern emerging between types of scheme. Some trustees mentioned how the trustee board would distribute key facts about the pension scheme to its members, while others felt that this was solely the role of the scheme administrators.

Variations between trustees also existed, particularly amongst member trustees. Some member trustees would feed back a synopsis of the business of the trustee board to a works committee, while others felt that it was their role to ‘sell’ the benefits of joining the pension scheme by virtue of their role as trustee. Yet others had become known within the company as a pensions expert and were always ready to impart their pensions knowledge to others.

3.3 Changes since the Pensions Act 1995

There were marked differences between pension schemes in terms of changes that had occurred that could be attributed to the provisions of the Pensions Act 1995. The differences were related to the size of the scheme and to a limited extent whether the scheme was insured or self-administered; whether the scheme was contracted out or not, or defined benefit or defined contribution made no difference.

Medium to very large pension schemes were often already structured and operating according to good practice before the Pensions Act 1995 was implemented. A number of the very large pension schemes had undertaken a major review of their practices in anticipation of the Act and formalised what they already recognised as good practice. Following their reviews there were many instances where new practices were put in place and a more formal approach was introduced. Other schemes introduced new practices, usually on the recommendation of external advisers such as accountants and actuaries. The following were typical changes in trustee and pension scheme practices:

• end of year audited accounts were produced – a new procedure for some of the medium sized schemes;

• issues such as ‘whistle-blowing’, the Minimum Funding Requirement and the Statement of Investment Principles had been discussed and the procedures documented;

• formal written procedures had been produced in relation to the disclosure regulations and member nomination procedures.
Hand-in-hand with this formalisation of existing, or embryonic, procedures were changes in the composition of the trustee board. While some of the larger schemes already had member representation on the trustee board prior to the introduction of the Act, it was very apparent that member trustees were a relatively new phenomenon for many of the medium and large pension schemes. Even where member representation was long-standing the nomination process had been formalised as a result of the Act’s provisions. Interestingly, among the larger schemes there was also a view that the increased formalisation of procedures had two further consequences:

• overall, it was now felt that employer-appointed trustees were better able to distinguish between their job role and that of the trustee; and
• responsibility for looking after the pension scheme had shifted from the sponsoring employer to the board of trustees.

Similar to the previous study, the trustees interviewed rarely distinguished between different types of beneficiary when discussing the investment returns. Primarily they saw all the beneficiaries to be equal in this respect. The only time when there was some distinction between beneficiaries – and it was in very limited circumstances – was when the trustees were considering the need for up-rating pensions in payment and deferred pensions or the allocation of pension fund surpluses.

By contrast, while there had been some changes in practice among the small schemes in the study, the degree of change appeared to be small. This was particularly so for small schemes that were insured.

Small pension schemes, in terms of the degree of change, fell into four groups:

• The first of these recognised that pensions law was changing, primarily as a result of newspaper reports and discussions with other small businesses. They sought advice proactively from their financial adviser and made a series of changes. Most put in place a formal trustee meeting, while others incorporated a ‘pensions section’ in general management meetings. They also produced audited, annual, accounts, often for the first time and in some cases asked for member nominations.

• The second group of small schemes made similar changes to those of the first group but only on the advice of their financial adviser, and in some cases the insurance company. These pension schemes tended to be reactive and only made the changes after their financial adviser had made them aware of the importance of observing the forthcoming regulations. These pension schemes were characterised by placing a lot of trust in their advisers and largely relying on them to ensure that the pension scheme was operating according to the law.
• In the third group of pension schemes, which were often very small, the trustees had no interest in the management of the pension scheme at all. They relied on their financial advisers for advice as did the second group, but were less likely to put this advice into practice, often making the minimum number of changes possible. In many instances the trustees could not recall being advised to make any changes by their advisers, in others they had made changes that would comply with the regulations but in practice did not reflect any change in procedure at all. In doing so it would appear that the scheme was complying with regulations but in practice it was not. For example, adding the pension scheme to the management meeting agenda but then failing to discuss the scheme within the meeting.

• Some small, insured, schemes had not responded at all to the requirements of the Act. By way of example, one insured pension scheme with 18 active members indicated that they had made no changes at all to the functioning of the pension scheme.

  ‘We do exactly as we did five years ago. I won’t have employees as trustees… it’s none of their business. They’re lucky they get a pension… No, there’s no change in paperwork at all and we don’t have trustee meetings. I just get an account every year from my broker and we send out the individual statements to the employees.’

  (ET, small, insured, DC)
This chapter focuses on the pensions-related work carried out by pension scheme trustees. It considers the content and functions of trustee board meetings, decision-making processes, the role of sub-committees, the nature of pension-related work conducted outside the board meetings and the amount of time individuals dedicate to the trustee role.

4.1 Trustee board meetings

Typically, large pension schemes arranged regular trustee board meetings, often quarterly, sometimes half-yearly. By contrast, small schemes may not have held a trustee board meeting at all or else incorporated it into existing management meetings.

4.1.1 Trustee meetings – medium to very large pension schemes

Trustee boards varied in size and ranged from two to 15 members. There was some evidence to suggest that the size of the trustee board had increased as a result of the Pensions Act 1995. This was partly through the appointment of member trustees and partly due to a general ‘overhaul’ of the trustee board, which some respondents felt the Act had encouraged.

For very large, large, and the larger medium sized pension schemes, trustee meetings were usually held on a quarterly basis. Meetings were often arranged a year in advance, primarily in order to secure slots in senior staff’s diaries. Meeting dates tended to be rigidly fixed and were only changed under exceptional circumstances, for example if the chairperson was unable to attend. An agenda was usually circulated in advance, often together with additional materials to be read beforehand. All members of the trustee board received the same sets of information.

‘I would deliver the full agenda two weeks before a meeting, and circulate any necessary papers for reading prior to the meeting as well’

(ET, large, self administered, DB)

All the trustees were invited to attend the trustee board meetings and most did so unless there were exceptional circumstances, such as illness. The general impression amongst the trustees of the medium to very large pension schemes was that overall their fellow trustees took the role very seriously with the consequence that there were no unexplained or unacceptable absences.

‘Obviously now and again somebody doesn’t turn up because they are otherwise engaged or sick, but that’s unusual. It is intended that all trustees attend and usually they do’

(MT, large, self administered, DB)
There were usually additional attendees at the trustee board meetings, although their frequency of attendance tended to be related to the size of the pension scheme. Typically, the scheme administrator, actuary and investment managers were invited. Actuaries often attended every meeting; investment managers were asked to attend annually as a minimum and in some cases half-yearly. In a small number of instances where the trustees had had some concerns about the fund’s performance the investment managers would be asked to attend quarterly meetings. Legal advisers tended only to attend trustee meetings where there was a specific agenda item that required their professional skills. Some of the very large schemes had a scheme secretary; in such cases they usually attended every board meeting.

The trustee board meetings were usually held during working hours. In one instance – a very large pension scheme – the trustees met for dinner the day before the board meeting and used the opportunity to discuss informally some of the next day’s agenda items. Trustee meetings were usually held on company premises, with some of the larger pension schemes representing multi-site companies rotating the meeting venue.

Trustee meetings mostly lasted for half a day and usually two to three hours at a minimum. Some of this larger group of pension schemes met for a whole day, using part of the time as a training opportunity. For example, one trustee board had, in the past year, run sessions on contracting-out of SERPS, the role of the actuary and investment principles. Other sessions were planned for future meetings.

4.1.2 Trustee meetings – small schemes

Trustee meetings among the small pension schemes even though held less frequently, generally tended to be seen as lower priority compared to the larger schemes, although there were a couple of exceptions. For these pension schemes there were usually two employer-appointed trustees plus either the insurance company, an independent financial adviser or the company’s accountant. While there was some evidence of the trustees seeking member representation – usually without success – in general the trustees had made the decision to opt out of including member trustees on the trustee board where pension issues were discussed in small schemes this could be in one of four ways:

- Amongst the small schemes there was limited evidence of regular meetings designed specifically to discuss the pension scheme. However, there were a couple of pension schemes – insured schemes with employer-appointed trustees – where the trustees would meet either on a half-yearly or annual basis to discuss any issues arising. Although there was generally not a pre-circulated agenda, contribution levels, investment performance and the efficacy of the administering insurance company or independent financial adviser tended to be discussed as a matter of course.
• Trustee meetings could be incorporated into management meetings. In some cases the pension scheme was a regular agenda item, in others the pension scheme was discussed only if relevant. Annual statements and an annual performance review were often the stimulus for discussion at the management meeting. Typically, it was the small insured schemes with employer-appointed trustees where this occurred.

• In some cases, the pension scheme might be discussed on an ad hoc basis at regular management meetings. In others the scheme was only discussed when there were issues arising: this might be at a management meeting or a separate meeting called on an ad hoc basis.

• For some of the small schemes where the insurance company or independent financial adviser ‘completely looked after’ the scheme the only trustee meeting tended to be an annual discussion of the fund’s performance. This may, or may not, be incorporated into a general management meeting, depending on the preferences of the trustees. However, in most cases the pension scheme was discussed as part of a general review of the business, at which the trustees, the independent financial adviser and the accountant would be present. Trustees that adopted this approach could not generally see any point in having separate, or more regular, meetings as they felt that there were insufficient issues to discuss.

In most cases in small schemes, the managing director of the company was also a pension scheme trustee. Other trustees might include the finance director, personnel director, director of operations, etc. Trustees of these small schemes tended to be less concerned if trustees other than the managing director were absent from the meetings where the pension scheme was discussed.

‘Because the individuals involved are part of the senior management of the company then it might be when we’re having our regular management meetings, if there’s something that’s pensions related we’ll discuss it then, we’ll stay behind at the end and discuss it’.

(ET, small, insured, DC)

‘Every year we have AGM get together, he will run through all the figures that have come back, units, growth, and propose this and whatever’.

(ET, small, insured, DC)

4.2 Topics discussed at the trustee meetings

The topics discussed at the trustee meetings tended to be fairly standard. Small schemes tended to discuss investment performance plus any issues arising. Typically, this tended to be either information that had been provided by the insurance company and/or independent financial adviser and the distribution of annual pensions statements. Where they had arisen, discretionary issues were also discussed. However, many of the small schemes had not any experience of such issues arising.
The larger schemes tended to have a pre-set agenda, which followed a similar pattern. The agenda usually included items such as administrative issues arising; investment performance; presentations from the investment managers; discussion with professional advisers, such as the actuary; feedback from the sub-committees (where applicable) and discussion of discretionary issues. The appointment of professional advisers tended to be discussed on an annual basis, rather than at each meeting. For some of the larger and long-established pension schemes the discussion of discretionary issues could take up a substantial portion of the trustee meeting. Among some of the large schemes the agenda also regularly contained a training item.

In discussing the nature of trustee meetings with the pension scheme trustees it was clear that the contribution of individual trustees was greater for the larger schemes. Generally trustees from small schemes felt that they had very little knowledge about the role of the trustee and there was generally very little discussion about pension issues in meetings. By contrast, trustees of the larger schemes tended to have a better understanding of their role with regard to the pension scheme and there were more issues to discuss.

Long-standing trustees, irrespective of the size of the scheme, generally felt quite confident about contributing during the trustee meetings. Indeed, in many respects for employer-appointed trustees, particularly those whose company role was that of pensions director or financial director, the trustee meeting was simply another situation in which their professional knowledge would be drawn upon. Member trustees with a number of years experience also tended to feel quite confident about contributing to the discussion. However, even the most experienced of trustees said that there were some issues where they felt out of their depth and required the assistance of professional advisers. Requirements relating to contracting-out of SERPS and the intricacies of some sophisticated investment vehicles were two issues that were raised in this context.

None of the trustees of the larger schemes, irrespective of whether they were member, employer appointed or pensioner trustees indicated that they contributed less because of the nature of their appointment.

However, newly appointed trustees irrespective of scheme size did say that it took two or three meetings before they felt able to contribute to the discussions fully, a fact that some of the longer-standing trustees commented on and remembered for themselves. Some of the longer-serving trustees, particularly of the larger schemes, were keen to distinguish between the confidence that people had as a result of their knowledge about an issue and the confidence they needed to be able to ask questions, irrespective of whether they fully understood the issues being discussed. As one pensioner trustee – an ex-pensions manager of a large UK-based company – said:

4.3 Contributing to the business of trustee meetings
‘…it’s important that some people on the board [of trustees] understand the issues, but that takes time…and there is always recourse to the advisers as well, but I’m very keen that newly appointed trustees should be encouraged to ask questions and that we as a board support them in doing so’.

(PT, large, self administered, DB)

The training sessions that some of the large pension schemes had instigated as part of the trustee meeting were felt to have made it much easier for more recently appointed trustees to participate. Without exception, member trustees indicated that they felt welcome at the trustee meetings with the other trustees actively engaging them in discussion.

Generally, most trustees from larger schemes felt that individuals were able to differentiate between their company role and that of trustee. Consequently, it was not felt that employer-appointed trustees only represented the opinions of the sponsoring employer, neither were member trustees solely concerned with representing the views of the scheme members. There were instances where this had initially occurred – usually on appointment – but the trustee board as a whole, as well as the chairperson, had indicated to the trustee that this was not the way in which the trustee board operated.

However, it was noticeable that both pensioner trustees and member trustees in large schemes who were also trades union representatives tended to have a particular interest in their own respective groups. While they said that they were careful not to over-promote the views of those they represented they were also keen to point out that they paid special interest to relevant issues. Where there had been a change in role, for example from employer-appointed trustee to pensioner trustee, there was some evidence to suggest that loyalties had changed to some degree. For example:

‘I hope I was always equitable in my discussions, but yes, there is no doubt that as a pensioner of the scheme now I do take a great deal more interest when we discuss pensions in payment.’

(PT, very large, self-administered, DB)

Similarly, a member trustee who is also a trades union representative:

‘Well, I don’t think of it as “us and them” so to speak but I am a union rep and I want to make sure that the company is fair. After all, the company isn’t there to do us any favours, it’s there to make a profit for its shareholders and if they can make a bit more for them by shaving the pension scheme I’m sure they’re not beyond trying it on.’

(MT, large, self administered, DB)

In a small number of instances, usually reported by member trustees, there was some feeling that the employer-appointed trustees tended to have divided loyalties and erred on the side of the sponsoring employer.
One notable example concerned a UK company with an overseas parent company. The employer-appointed trustee, who was employed in the overseas office, was felt to be totally unsympathetic to issues raised by the member trustees and considered to wholly represent the interests of the sponsoring employer. Although the member trustee who described this situation was a director and part of the company’s management team he felt that the trustee meetings were characterised by argument and dissent whenever the sponsoring employer’s representative was present.

‘Oh god, when [trustee from parent company] is around you have to concentrate really hard as [they] will take you for a ride. [They] totally side with the company and I think would like to ditch the scheme completely. We have an [overseas] parent and I’m not sure they understand our culture – I sometimes think they got a bit of a shock when they discovered this thing called a pension scheme that they were putting money into but didn’t seem to have much say.’

(MT, medium, insured, DC)

4.5 Decision-making

Amongst the medium to very large pension schemes decisions taken at trustee meetings rarely required a vote or a show of hands. Few trustees could remember the last time a vote was required; some thought that the board would move to a vote if necessary but none of the trustees questioned could think of a scenario which would require such an action. However, in most cases where there remained some dissent the trustee boards generally continued to discuss the issue until consensus was achieved. Advisers might also be called on upon to provide additional material in order to assist the decision-making process. If a resolution could not be found the issue could be held over until the next trustee meeting.

‘Yes, yes discussion, probably with some action points coming out of it to address prior to the next meeting’.

(ET, large, self administered, DB)

The trustees who participated in this study thought that trustee meetings were mostly characterised by equitable discussion; the need for a vote ran counter to the way in which they wished to hold the trustee meetings.

‘Can’t remember that we’ve ever been in enough disarray that we had to vote.’

(ET, very large, self administered, DB)

[consensus] …It’s almost a point of failure if you haven’t got that position’.

(ET, large, self administered, DB)

None of the trustees felt that any pension-related decisions were made outside the meeting, although discussion might take place. The trustee board of one of the very large pension schemes met for dinner the evening before the trustee meeting. Ostensibly an opportunity to socialise and ‘catch-up’, the dinner also allowed trustees to discuss any issues arising thereby avoiding unnecessary discussion, or dissent, during the trustee meeting.
It was clear that some of the trustees contributed less to the decision-making than others. Recently appointed trustees tended to play a smaller role in the decision-making; trustees with a particular set of expertise tended to play a greater role, where their knowledge was of particular relevance.

Long-standing trustees felt that there was greater emphasis placed on discussion and equitable decision-making nowadays, a fact that they attributed directly to the Pensions Act 1995.

‘There’s more pressure on trustees as regards legislation and responsibility. If you make a wrong decision you’re accountable by law…It makes you actually do something or say something.’

(MT, large, self administered, DB)

Amongst the small pension schemes decision-making tended to operate in a different manner. Decisions were usually underpinned by advice from the company’s accountant or independent financial adviser. Irrespective of the number of trustees it was generally an employer-appointed trustee, who was usually the managing director of the sponsoring employer who made the decisions which were subsequently discussed and ratified by the other trustees.

There were a small number of instances where trustees indicated that decisions were ‘firmed up’ outside the trustee meeting. For example:

‘I met the MD going down the corridor to the [trustee] meeting. He said what he thought about an issue – it was a discretionary issue to do with unmarried partners I think – and said ‘I expect you think the same don’t you?’ The decision wasn’t made but I certainly felt I had been pointed in the right direction.’

(ET, small, insured, DC)

Sub-committees were in evidence for some of the large schemes. In some instances the sub-committees were permanent, in others they were convened only when necessary. Mostly trustee boards had one or two sub-committees, which tended to deal with either investment issues, legislation or discretionary decisions, while one or two of the largest of pension schemes had a larger number of permanent sub-committees.

One of the large pension schemes had a permanent discretionary sub-committee. This sub-committee made recommendations to the main trustee board, which in the main were agreed without dissent.

Other sub-committees that had been convened on an ad hoc basis included audit and administrative committees. More than one of the large pension schemes had set up ad hoc Pensions Act sub-committees to consider the implications of the new legislation.
Sub-committees usually comprised an even number of trustees and reflected a balance between employer appointed and member trustees. Selection for appointment to the sub-committees seemed to be on the basis of interest and expertise.

The meetings of the sub-committees were usually minuted, the minutes being available to the main trustee board.

The amount of work pension scheme trustees undertook on behalf of the trustee board varied considerably, depending primarily on the size of the pension scheme. Typically, with medium to very large schemes the trustee role was well defined and characterised by activities that were conducted both during and outside the trustee board meetings. This was much less so for trustees of small pension schemes. In these instances although, as with trustees of larger pension schemes, the individual may have had other roles within the company — such as finance director or personnel director — the role of the trustee in small companies was often indistinguishable from their company role.

Trustees of small pension schemes did not usually undertake any trustee-related work outside the trustee meeting. In most cases they were wholly reliant on the company accountant or independent financial adviser to provide advice and administrate the scheme. Indeed, most of the trustees of small schemes said that not only did they not have the inclination to undertake trustee work but they generally lacked the skills to do so.

‘I’m a businessman. I run a business. I employ an adviser [independent financial adviser] to look after the pension [scheme]. Why should I get involved in the pension scheme when I pay someone else to do it for me already. This is my business, not the pension [scheme].’

(ET, small, insured, DC)

‘I don’t really understand pensions. My job is to look after the finances [finance director], deal with the accountant, act as a link between the employees and the independent financial adviser…oh and I give out the statements at the end of the year and file the copies over there.’

(ET, small, insured, DC)

By contrast, some trustees of medium sized schemes and the trustees of the large schemes indicated that they needed to do some trustee-related work outside the trustee meetings. Primarily this meant reading the papers circulated prior to the trustee meetings and in some cases reading the past set of minutes. Some also tried to keep themselves up to date by reading the pensions press. Occasionally they were required to sign cheques or deal with external advisers. Depending on the predisposition of the individual trustee some spent time dealing with enquiries from members. However, in many cases it was clear that the type of enquiries that some of the trustees dealt with could equally have been attended to by an independent financial adviser (in the case of pensions advice) or the administrator of the scheme (in the case of missing statements, transfer values, etc.).
The amount of time spent on trustee-related activities depended on the number of meetings they attended and whether they were also part of a sub-committee. Overall, the workload incurred as a result of being a pension scheme trustee ranged from around an hour each quarter to one or two hours a week, excluding the trustee meeting itself. None of the trustees felt that they spent more than about 12 days per year, including the trustee meetings, dealing with pension scheme business. While some of this work was conducted in their own time, none of this group of trustees felt that their workload was arduous or excessive. Indeed, individuals were generally very interested in the role of the pension scheme trustee and felt that they would not have accepted the position had they not been willing to give up some of their own time. The exceptions were the trustees of small insured schemes, who mostly saw the trustee role as pointless.

There was some suggestion that the amount of time devoted to trustee business had increased since the Pensions Act 1995. However, it was not so much that the Act required pension schemes to generate more paperwork but rather that trustees were devoting more time in recognition of the responsibility of the role.

4.8 Relationships with other parties

Throughout this report mention has been made of other parties with whom trustees come into contact. This section provides more detail about the relationship between trustees and other parties, notably the:

- insurance company;
- investment and fund managers;
- financial advisers;
- legal advisers;
- scheme administrator;
- actuary;
- sponsoring employer; and
- independent trustees.

4.8.1 Insurance company

For insured schemes the insurance company took on the role of investing the members’ funds and administering the scheme. Trustees of small pension schemes felt that their relationship with the insurance company was fairly distant. Direct dealings with the insurance company were few, with the majority of contact being undertaken by the financial adviser representing the company. Indeed, trustees tended to deal only with the financial adviser and only in exceptional circumstances would they deal direct with the insurance company.

Instances where trustees had dealt directly with insurance companies were few. In one instance this became necessary because of the poor administration and record-keeping of a financial adviser. In another, the trustee had contacted the insurance company to find out the nature of the pension scheme in preparation for this research!
There had been a small number of changes of insurance company over the years due to poor investment performance. The process of change was said to be slow although it was not always clear to the trustees whether this was the fault of the insurance company or the financial adviser. Trustees were generally reluctant to change insurance companies as they felt the costs (charges and commission) would outweigh the benefits.

4.8.2 Investment and fund managers

The use of investment and fund managers was confined to the medium, large and very large defined benefit pension schemes. The frequency with which the trustees and the fund managers communicated tended to be related to the size of the scheme and the size of the investment fund. The small schemes tended to meet the investment managers on an annual basis and received regular financial updates throughout the year.

Trustees of the larger schemes tended to meet the investment managers more frequently, quarterly in some instances. The relationship was said to be very professional, but with trustees being very challenging if the fund did not perform as expected.

The fund managers also had a multi-function role, that of investing, advising on the investment strategy and helping the trustee board to understand the implications of different investment vehicles.

‘I'm in touch with them so I know exactly what has been sold or what has not been sold on the investments.’

(ET, medium, self-administered, DB)

Trustees were often reliant on auditors and accountants to explain the financial aspects of the pension scheme as well as to help explain the more complex investment products.

4.8.3 Financial advisers

Financial advisers played a key role for small, insured, schemes. Not only did they almost universally act as a link between the trustee and the insurance company, but they also provided financial advice, legal advice and assisted in the scheme administration. Compliance with the Pensions Act 1995 was often said to be as a result of advice received from the financial adviser.

Among smaller insured schemes the financial adviser looking after the pension scheme was also providing financial advice to the business more generally.

There had been some changes of financial adviser, usually as a result of poor administrative support.

4.8.4 Legal advisers

None of the trustees interviewed could recall having any dealings with legal advisers, although they were aware that legal advice was sought by the trustee board on occasions. It was said to be the role of the pension scheme administrator to deal with seeking and providing legal advice. In
some cases the legal advisers used by the trustee board were employed on wider issues by the sponsoring company whilst in others the trustee board had dedicated legal advisers.

4.8.5 Scheme administrator

Where pension schemes had a scheme administrator, other than the insurance company, it was usual for them to attend every trustee meeting, purely in an information-giving and advisory role. Links with in-house administrators tended to be closer than those where the scheme administration was out-sourced. Nevertheless, trustees of self-administered schemes placed a great deal of reliance on the scheme administrator.

‘To tell us what we should be looking for, because there’s no way of knowing’

(ET, medium, self-administered, DC)

They were felt to have a great deal of insight into the day-to-day working of the pension scheme, were a major source of information, often provided a ‘legal advice’ service and were always available for consultation.

‘People with specific skills who will be able to understand a bit more of the specific detail’

(ET, very large, self administered, DB)

‘… somebody who’s doing it day in and day out as their main job to advise you. In my mind the trustees are a review body, he [administrator] does the major work.’

(ET, very large, self-administered, DB)

4.8.6 Actuary

Trustees of insured schemes had no direct contact with the actuary, with the role of insurance company and actuary being seen as one and the same. Some of the trustees of small, insured, schemes were not entirely sure of the role of an actuary and wondered why a trustee would want to make contact with them. For medium to very large schemes an actuarial report was usually received at each trustee meeting; the actuary usually attended each trustee meeting in the case of the large pension schemes.

Trustees rarely had any direct contact with the actuary, or actuarial company, with contact usually being routed through the scheme administrator.

‘We never phone and ask for information. We write and say this is what we would like you to give an in depth research on. We would like you to come back to us, we would then like to study it.’

(ET, medium, self-administered, DB)

Overall, trustees felt less confident about questioning actuaries compared to other professional advisers – the nature of their work was seen as particularly complex and difficult to assimilate.
4.8.7 Sponsoring employer

For small schemes the role of trustee and sponsoring employer were combined in the form of managing director. In general, the relationship between trustees and the sponsoring employer was said to be very good, although this did depend considerably on strength of personality and the type of relationship that existed between the trustees. Other directors or partners sometimes had difficulties with their role as trustee for fear of retribution or creating a difficult working environment.

Trustees of the large and very large schemes felt there was an equitable relationship between the sponsoring employer and the trustee board. This was felt to be reflected in even discussion about benefit upratings, disposal of surpluses, the amount of employee time taken up by trustee meetings and the willingness of the sponsoring employer to pay for training.

It was among some of the medium sized pension schemes where there appeared to be a little more difficulty between the trustees and the sponsoring employer. Friction tended to occur in cases where the chairperson was a senior staff member of the sponsoring organisation and expected the other employer-appointed trustees to be ‘yes-men’, or where employer-appointed trustees were constantly said to be arguing in favour of the employer.

4.8.8 Independent trustee

Experience of independent trustees was confined to only a couple of pension schemes. Independent trustees were seen as very professional and providing a major contribution to the discussion at trustee meetings. Perhaps their main function, however, was seen to be the embodiment of best practice.

4.9 Changes since the Pensions Act 1995

The size of trustee boards and the regularity of their meetings were very similar to the previous study, although there was some evidence to indicate that trustee boards had increased in size as a direct consequence of the Pensions Act 1995. The addition of member trustees, or their increase in numbers on the trustee boards seemed to be a direct consequence of the provisions of the Pensions Act 1995.

The location of trustee meetings had not generally changed although some large schemes representing multi-site employers appeared to vary the location of the trustee meetings more widely. As a result of the Act trustee meetings of large and very large pension schemes had increased in length in order to include training sessions within the meeting. Trustee meetings had also become more formalised, with greater emphasis on receiving reports from advisors and the production of more detailed minutes. To ensure that the business and decision-making was now recorded more fully and accurately.

The nature of trustee meetings amongst small pension schemes remained the same between the two studies, although trustees interviewed in the
present study indicated that it was only as a result of the Pensions Act 1995 and prompting from their financial adviser that they now held trustee meetings.

The issues discussed at trustee meetings were common between the studies. Confidence in contributing to the discussion at trustee meetings was broadly similar, although trustees in the present study felt that newly appointed trustees were better able to ‘get up to speed’ since training sessions within the trustee meetings, introduced as a consequence of the Pensions Act 1995, had been instituted.

The appointment of advisors had been placed on a more regular and formal basis as a result of the Act. Among large schemes advisors were regularly monitored, this generally occurred during trustee board meetings where advisors were invited to talk to the board.

During trustee meetings, trustees generally were able to separate their role as trustee from their role in relation to the company in which they worked. However, examples of employer-appointed trustees acting more for the benefit of the sponsoring employer rather than the beneficiaries occurred in both the studies.
This chapter explores trustee awareness of, and views about two provisions that were introduced by the Pensions Act 1995:

• Statement of Investment Principles (SIPS); and
• Socially Responsible Investments (SRI)

Trustees’ perceptions of Opra (the Occupational Pensions Regulatory Authority), which was set up under the Act, are also discussed.

One of the provisions of the Pensions Act 1995 requires pension scheme trustees to provide a written statement that describes the principles governing their investment decisions. This provision does not apply to insured schemes.

Amongst the large and very large schemes there was evidence to suggest SIPs had been in place for many years, with a number of pension schemes pre-dating the provisions of the Pensions Act 1995. Equally, however, there were some of the larger schemes which had not previously provided such a statement, the Act providing the stimulus to do so. Where SIPs were in evidence they were generally said to have been written by the trustee board or, in the case of self-administered schemes the in-house investment manager. SIPs tended to be constructed in such a way that they could be used to judge, or benchmark, the performance of the investment companies used by the pension scheme.

Small pension schemes were generally less aware of SIPs and, as with socially and environmentally responsible investment statements, felt that it was likely to be the insurance company that dealt with such issues.

Overall, particularly amongst the larger pension schemes, trustees felt that SIPs was a positive initiative as it provided additional accountability. The small, insured, schemes were less positive, viewing it as ‘another piece of legislation, another piece of paper to fill in’.

‘You need to have something you can say that these are the principles that we live by, this is what our scheme is all about, this is how we invest our money’.

(ET, large, self administered, DB)

With effect from 3 July 2000, trustees of occupational pension schemes will be required to include in their Statements of Investment Principles a statement on the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments, and also a statement of their policy (if any) in relation to the exercise of rights (including voting rights) attaching to investments.
Without exception small schemes were not aware of this new requirement. Among the large pension schemes awareness was minimal with only a handful of schemes having taken any action.

‘No, I haven’t heard of that but there is plenty of time and I expect the scheme administrator will alert us to it.’

(ET, large, self-administered, DB)

Reaction to the SRI requirement was mixed. On the whole trustees felt that such investment principles were both worthy and ethically a good idea but felt that most pension schemes would issue a statement stating that their decision had been to opt out of investing in socially and environmentally responsible investments. This was for two main reasons:

• A view that investing ethically produces poor returns and therefore conflicts with the trustee’s principal role of maximising the financial return for members;
  ‘We have talked about this issue but we haven’t got a policy for investing in environmental shares, we’ve talked about it quite a few times, whether we should be investing in environmental friendly shares but we’d have to go quite in depth really because you have to look at the fund overall and if we find the environmental funds weren’t doing too well then we’re not going to invest in them’

(MT, large, self administered, DB)

  ‘Our primary responsibility is safeguarding the assets and getting the right investment return we can within given risk constraints’

(ET, large, self administered, DB)

• A concern that the definition of socially responsible investments is so varied that it would be almost impossible to agree upon a definition to be used for the pension scheme;
  ‘It’s a very, very difficult subject and I think quite frankly it’s one of those subjects that once you open it up there could be no end to it. If I said ‘I think smoking is bad for you so I’m not going to invest in that particular company’, the guy down the road says ‘well I smoke, I’ve got to look after everybody’ … he may say ‘come off it!’; so it could actually get quite a difficult situation – it will raise no end of major problems’

(MT, very large, self administered, DB)

Trustees of insured schemes, particularly the small schemes, felt that this issue was not really within their control and assumed that the insurance company would take steps to comply with the regulations.

5.3 *Opra*  
The Occupational Pensions Regulatory Authority (Opra) was set up by the Pensions Act 1995 in order to oversee occupational schemes and ensure that they are safe and well run. In cases where the pension scheme is poorly run, or there is carelessness or negligence, Opra has the power to investigate. Similarly, if trustees are concerned about the management of the pension scheme they have a duty to report the matter to Opra.
‘If it was a serious enough issue I would ask for a special extraordinary meeting of the Trustee Board to be called. I would raise it at that meeting and I would attempt that we resolve it within the Trustee body. However, if I was still concerned or uncomfortable, then I would contact Opra myself’.

(MT, large, self administered, DB)

Awareness of Opra was very mixed, with trustees of the larger schemes tending to be more aware and more knowledgeable. Trustees from some of the smaller schemes had not heard of Opra.

Despite being aware of Opra this rarely meant that trustees had any knowledge of its role and function. Indeed, it was not at all unusual for trustees to indicate awareness of the organisation by pointing to an Opra-produced booklet ‘A Guide for Pension Scheme Trustees’. Their knowledge seldom went any further than this, a feature that was very typical of trustees of the small schemes and many of the larger schemes too.

When asked about the Opra booklet it was clear that it had seldom been read and usually filed for future reference. Not all of the trustees of small schemes recalled having received the Opra booklet.

Few trustees felt they were in a position to be able to discuss the role of Opra. Of those who did – mostly trustees of large and very large pension schemes – there was a feeling that the organisation was still a very new body and as yet had not fully defined its role. Some trustees, however, felt that they had a clear image of Opra but that the relative newness of the organisation meant that this had yet to percolate out to pension scheme trustees in general. In terms of overall image, Opra, at the time of the study was seen to be a primarily reactive organisation and one that tended to act on the advice – or ‘tip-offs’- of others rather than from its own self-generated investigations.

‘I would say reactive, they react to complaints and they react to people not doing what they’re required to by the law’.

(MT, large, self administered, DB)

None of the trustees in the study had made direct contact with Opra; there was some suggestion amongst the larger schemes that the scheme administrator may have contact although they were not always sure about this. Equally, Opra had not, according to the trustees, made contact with them.

Opra were not seen as an information-giving organisation. Rather they had more of a ‘policing’ image. Consequently, views were mixed about having contact with Opra. In general there was a sense that trustees might contact Opra but only if they felt that the issue they wished to raise was of sufficient magnitude. On the other hand, trustees were
reassured by the fact that they had not been contacted by Opra, which reflected a widely held view that ‘little contact means the scheme must be functioning correctly’.

5.4 Overview

Trustees of larger pension schemes were aware of SIPs and tended to already have a well-tried policy although this was not necessarily in written form but more of an ‘understood’ approach. Investment principles were often said to pre-date the 1995 Act, although the impact of the Act was to ‘sharpen up’ existing statements and in other cases provide the opportunity for pension schemes to produce a Statement of Investment Principles. Awareness of Opra was high amongst the trustees of larger pension schemes, however awareness of Socially Responsible Investments amongst trustees of the large schemes was minimal.

Trustees of small pension schemes were not generally aware of SIPs. Trustees of small and medium-sized schemes, without exception, were not aware of the Socially Responsible Investment requirement. Trustees of insured schemes assumed that the insurance company would take steps to comply with the legislation; they did not feel that the insurance companies would change their investment strategy, for the same reasons. Some trustees of the small schemes were not aware of Opra.

Even amongst those who were aware of Opra, understanding of their role was minimal. Seen as a relatively new organisation that was yet to define its role, Opra was seen more as a policing organisation than an information-provider. It was also seen as having a reactive rather than pro-active approach.
APPENDIX A  RESEARCH METHODOLOGY

A1 Recruitment of respondents

The recruitment of individuals to take part in the study was undertaken by BMRB Qualitative’s specialist field and recruitment unit. We employ three full-time recruitment managers who manage a national network of specially trained freelance qualitative recruiters. All recruiters are members of the IQCS (Interviewers Quality Control Scheme).

A2 Recruitment for the developmental phase – Phase one

Depth interviews were undertaken with representatives from six pensions-related organisations, to help inform the development of the key issues to be explored in the main stage of the study. The details of organisations, including a ‘main contact’ for each, were supplied to BMRB Qualitative by the Department of Social Security. Organisations were contacted by telephone, had the study explained to them, and were asked whether they would participate in the study. An interview date and time was agreed with those who wished to participate, followed by a confirmation letter.

A3 Recruitment for the main stage – Phase two

Participants for the second phase of the study were initially sourced with the help of the Occupational Pensions Regulatory Authority’s (Opra) Pensions Scheme Register. Opra were able to provide a list of pension schemes and their administrators, but no other information. A letter was sent to the administrators explaining the nature of the study and indicating that we wished to make contact with the trustees of the pension scheme. Occupational pension scheme administrators were then contacted by telephone and asked a series of questions designed to describe the nature of the pension scheme. Administrators of eligible pension schemes were then asked to volunteer the names and other relevant details of one or two trustees of their particular scheme. The pension scheme trustees were then contacted by letter and a follow-up telephone call. Their eligibility for inclusion in the study was determined using a short screening questionnaire and they were then asked if they would be willing to take part in the study. An interview appointment – time, date and location – was set up with trustees who were willing to take part in the study. Only one trustee per pension scheme was included in the study.

A4 Qualitative analysis: ‘Matrix Mapping’

Material collected through qualitative methods is invariably unstructured and unwieldy. Much of it is text based, consisting of verbatim transcriptions of interviews and discussions. Moreover, the internal content of the material is usually very detailed (for example, descriptions of experiences, explanations, attitudes, beliefs, etc.). The primary aim of any analytical method is to provide a means of exploring coherence and structure within a cumbersome data set whilst retaining a hold on the original accounts and observations from which it is derived. Qualitative
analysis is therefore essentially about detection and exploration of the data. Researchers ‘make sense’ of the data by looking for coherence and structure with the data.

**BMRB Qualitative’s** analytical procedure works from verbatim transcripts (all interviews are tape-recorded) and involves a systematic process of sifting, summarising and sorting the material according to key issues and themes. A set of content analysis techniques are used, known as **‘Matrix Mapping’**, to ensure an optimum synthesis of findings from the verbatim data.

‘**Matrix-Mapping’** begins with a **familiarisation stage** and would include both an executive researcher’s review of the audio tapes and/or transcripts. Based on the coverage of the topic guide, the researchers’ experiences of conducting the fieldwork and their preliminary review of the data a **thematic framework is constructed**. The analysis then proceeds by **summarising and synthesising the data** according to this thematic framework using a range of techniques such as cognitive mapping and data matrices. When all the data have been sifted according to the core themes the analyst begins to **map the data and identify features within the data**: defining concepts, mapping the range and nature of phenomenon, creating typologies, finding associations, and providing explanations.

The mapping process is similar whichever of the above features are being considered. The analyst reviews the summarised data; compares and contrasts the perceptions, descriptions, or experiences; searches for patterns or links within the data and seeks explanations internally within the data set. Piecing together the overall picture is not simply aggregating patterns, but of weighing up the salience and dynamics of issues, and searching for structures within the data that have explanatory power, rather than simply seeking a multiplicity of evidence.

The key issues, and the features that underpin them, are then used as the basis for constructing an oral presentation and a written report. Verbatim quotes are used to illustrate and illuminate the findings.
The sample breakdown of the 43 participating occupational pension scheme trustees is illustrated in the table below.

<table>
<thead>
<tr>
<th>Scheme Size (number of active members)</th>
<th>Scheme Type</th>
<th>Administration Type</th>
<th>Whether scheme is contracted out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Defined benefit</td>
<td>Defined contribution administered</td>
<td>Self insured</td>
</tr>
<tr>
<td>2-19 (10)</td>
<td>2</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>20-499 (10)</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>500-4,999 (13)</td>
<td>13</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>5,000+ (10)</td>
<td>10</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Total (43)</td>
<td>29</td>
<td>14</td>
<td>31</td>
</tr>
</tbody>
</table>
Dear Sir/Madam

Research on the Role of the Pension Scheme Trustee

I am writing to ask for your help. The Department of Social Security (DSS) wishes to obtain information about the duties and responsibilities of occupational pension scheme trustees since the introduction of the Pensions Act 1995. This research will provide an important follow-up to an earlier study, which examined the role of the trustee prior to the implementation of the Act. BMRB Qualitative, an independent research agency, has been commissioned by the DSS to carry out this project.

Your scheme has been selected at random from the Occupational Pensions Regulatory Authority’s (OPRA) Pension Scheme Registry records. BMRB Qualitative would like to talk to trustees from a number of different schemes, about their role and work as a trustee. The research will be carried out in two stages. First, a BMRB interviewer will telephone you in mid-October to obtain some general information about your scheme and about the trustees. BMRB Qualitative will then select trustees for the interview and arrange a convenient time to talk to the trustee. The information gathered will be treated in confidence. No information will be passed to the DSS, or published in a form which could identify any scheme or individual.
This study is an important part of a programme designed to evaluate the changes brought in by the Pensions Act 1995, the results of which will be used to inform Government policy in this area, and your input into this project will be very valuable.

If you, or the trustees, would prefer not to be contacted, please write to me at the FREEPOST address at the top of this letter (no stamp required), or ring me on 0171 962 8271 by 14th December 1999. Please quote the reference number at the top of this letter. Whatever you decide, your dealings with OPRA or the DSS will not be affected, either now or in the future.

Yours sincerely

Richenda Solon
Senior Research Officer
THE CHANGING ROLE OF THE PENSION SCHEME TRUSTEES

INTRODUCTION

THE PENSIONS ACT 1995

ground rules, fund management and other actions – including appointments and

2. The changing role of the pension scheme trustees

1. General background

Improving communication – clear and convincing

Introduction

Where necessary, knowledge and understanding of the rules and responsibilities of occupational

4. Trustees knowledge

When have been the changes

When the change was

When have been the positive changes

2. The role of the trustees

Executive committee/ captured the recording

Changes in the power of people to become trustees in terms of their knowledge and experience

Changes in the way the trustee boards work on business

Changes in the trustee board

Changes in the scope of work

3. The pension act 1995

The pension act

6. Power to work

The amount of work day are intended to do

for the determination of earnings-related member’s pension.

Where there are gaps in their knowledge

Do they feel increased understood their responsibilities

For the determination of earnings- related member’s pension (Act)

Whose expertise and knowledge would have occupied positions of pension scheme trustees.

The powers under this scheme to be expanded in the terms of the rule.

Examine the new and changed in the area of pension since the pension act 1995:

Examine the current changes in the area of pensions since the pension act 1995.

Develop knowledge and understanding of the new responsibilities of occupational schemes.
Thinks and Concerns

- Changes to the role/responsibilities of Pension Trustees
- Whether the current system will change once the policy is in place
- Whether the clear features that support Socially Responsible Investment (SRI) principles
- How the current system considers Socially Responsible Investment (SRI) principles

Due to be implemented in July 2000, but a draft outline of a consultation in the Spring

Pension Plan the Payer of Socially Responsible Investment (SRI) Principles

- Changes since the Pensions Act
  - What would they keep the same
  - What would they change or add
- If they were to amend Regulation 8 of the 1993 Pension, and boards of trustees

British Changes

- Ties with Existing with Gaps
- The role of Gaps – advice/requirement
THE CHANGING ROLE OF THE PENSION SCHEME TRUSTEE

1. INTRODUCTION

2. RESPONSIBILITY REQUIREMENT

3. TRUSTEE HISTORY

4. HOW DO THE TRUSTEE FEEL THE TRUST?

5. HOW HAVE THEY SEEN THE TRUST?

6. HOW HAVE THEY SEEN THE TRUST?

7. HOW HAVE THEY SEEN THE TRUST?

8. HOW HAVE THEY SEEN THE TRUST?

9. HOW HAVE THEY SEEN THE TRUST?

10. HOW HAVE THEY SEEN THE TRUST?

11. HOW HAVE THEY SEEN THE TRUST?

12. HOW HAVE THEY SEEN THE TRUST?

13. HOW HAVE THEY SEEN THE TRUST?

14. HOW HAVE THEY SEEN THE TRUST?

15. HOW HAVE THEY SEEN THE TRUST?

16. HOW HAVE THEY SEEN THE TRUST?

17. HOW HAVE THEY SEEN THE TRUST?

18. HOW HAVE THEY SEEN THE TRUST?

19. HOW HAVE THEY SEEN THE TRUST?

20. HOW HAVE THEY SEEN THE TRUST?

21. HOW HAVE THEY SEEN THE TRUST?

22. HOW HAVE THEY SEEN THE TRUST?

23. HOW HAVE THEY SEEN THE TRUST?

24. HOW HAVE THEY SEEN THE TRUST?

25. HOW HAVE THEY SEEN THE TRUST?

26. HOW HAVE THEY SEEN THE TRUST?

27. HOW HAVE THEY SEEN THE TRUST?

28. HOW HAVE THEY SEEN THE TRUST?

29. HOW HAVE THEY SEEN THE TRUST?

30. HOW HAVE THEY SEEN THE TRUST?

31. HOW HAVE THEY SEEN THE TRUST?

32. HOW HAVE THEY SEEN THE TRUST?

33. HOW HAVE THEY SEEN THE TRUST?

34. HOW HAVE THEY SEEN THE TRUST?

35. HOW HAVE THEY SEEN THE TRUST?

36. HOW HAVE THEY SEEN THE TRUST?

37. HOW HAVE THEY SEEN THE TRUST?

38. HOW HAVE THEY SEEN THE TRUST?

39. HOW HAVE THEY SEEN THE TRUST?

40. HOW HAVE THEY SEEN THE TRUST?

41. HOW HAVE THEY SEEN THE TRUST?

42. HOW HAVE THEY SEEN THE TRUST?

43. HOW HAVE THEY SEEN THE TRUST?

44. HOW HAVE THEY SEEN THE TRUST?

45. HOW HAVE THEY SEEN THE TRUST?

46. HOW HAVE THEY SEEN THE TRUST?

47. HOW HAVE THEY SEEN THE TRUST?

48. HOW HAVE THEY SEEN THE TRUST?

49. HOW HAVE THEY SEEN THE TRUST?

50. HOW HAVE THEY SEEN THE TRUST?

51. HOW HAVE THEY SEEN THE TRUST?

52. HOW HAVE THEY SEEN THE TRUST?

53. HOW HAVE THEY SEEN THE TRUST?

54. HOW HAVE THEY SEEN THE TRUST?

55. HOW HAVE THEY SEEN THE TRUST?

56. HOW HAVE THEY SEEN THE TRUST?

57. HOW HAVE THEY SEEN THE TRUST?

58. HOW HAVE THEY SEEN THE TRUST?

59. HOW HAVE THEY SEEN THE TRUST?

60. HOW HAVE THEY SEEN THE TRUST?

61. HOW HAVE THEY SEEN THE TRUST?

62. HOW HAVE THEY SEEN THE TRUST?

63. HOW HAVE THEY SEEN THE TRUST?

64. HOW HAVE THEY SEEN THE TRUST?

65. HOW HAVE THEY SEEN THE TRUST?

66. HOW HAVE THEY SEEN THE TRUST?

67. HOW HAVE THEY SEEN THE TRUST?

68. HOW HAVE THEY SEEN THE TRUST?

69. HOW HAVE THEY SEEN THE TRUST?

70. HOW HAVE THEY SEEN THE TRUST?

71. HOW HAVE THEY SEEN THE TRUST?

72. HOW HAVE THEY SEEN THE TRUST?

73. HOW HAVE THEY SEEN THE TRUST?

74. HOW HAVE THEY SEEN THE TRUST?

75. HOW HAVE THEY SEEN THE TRUST?

76. HOW HAVE THEY SEEN THE TRUST?

77. HOW HAVE THEY SEEN THE TRUST?

78. HOW HAVE THEY SEEN THE TRUST?

79. HOW HAVE THEY SEEN THE TRUST?

80. HOW HAVE THEY SEEN THE TRUST?

81. HOW HAVE THEY SEEN THE TRUST?

82. HOW HAVE THEY SEEN THE TRUST?

83. HOW HAVE THEY SEEN THE TRUST?

84. HOW HAVE THEY SEEN THE TRUST?

85. HOW HAVE THEY SEEN THE TRUST?

86. HOW HAVE THEY SEEN THE TRUST?

87. HOW HAVE THEY SEEN THE TRUST?

88. HOW HAVE THEY SEEN THE TRUST?

89. HOW HAVE THEY SEEN THE TRUST?

90. HOW HAVE THEY SEEN THE TRUST?

91. HOW HAVE THEY SEEN THE TRUST?

92. HOW HAVE THEY SEEN THE TRUST?

93. HOW HAVE THEY SEEN THE TRUST?

94. HOW HAVE THEY SEEN THE TRUST?

95. HOW HAVE THEY SEEN THE TRUST?

96. HOW HAVE THEY SEEN THE TRUST?

97. HOW HAVE THEY SEEN THE TRUST?

98. HOW HAVE THEY SEEN THE TRUST?

99. HOW HAVE THEY SEEN THE TRUST?

100. HOW HAVE THEY SEEN THE TRUST?
How much do they contribute, by type of role?
How much do they contribute, by type of project?
Where do they spring from (region vs. other)?
With their background, are they good or bad?
With their background, what type of projects are they good for?
With their background, how effective are they?
### OTHER RESEARCH REPORTS AVAILABLE:

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>ISBN</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Thirty Families: Their living standards in unemployment</td>
<td>0 11 761683 4</td>
<td>£6.65</td>
</tr>
<tr>
<td>2.</td>
<td>Disability, Household Income &amp; Expenditure</td>
<td>0 11 761755 5</td>
<td>£5.65</td>
</tr>
<tr>
<td>3.</td>
<td>Housing Benefit Reviews</td>
<td>0 11 761821 7</td>
<td>£16.50</td>
</tr>
<tr>
<td>4.</td>
<td>Social Security &amp; Community Care: The case of the Invalid Care Allowance</td>
<td>0 11 761820 9</td>
<td>£9.70</td>
</tr>
<tr>
<td>5.</td>
<td>The Attendance Allowance Medical Examination: Monitoring consumer views</td>
<td>0 11 761819 5</td>
<td>£5.50</td>
</tr>
<tr>
<td>6.</td>
<td>Lone Parent Families in the UK</td>
<td>0 11 761868 3</td>
<td>£15.00</td>
</tr>
<tr>
<td>7.</td>
<td>Incomes In and Out of Work</td>
<td>0 11 761910 8</td>
<td>£17.20</td>
</tr>
<tr>
<td>8.</td>
<td>Working the Social Fund</td>
<td>0 11 761952 3</td>
<td>£9.00</td>
</tr>
<tr>
<td>9.</td>
<td>Evaluating the Social Fund</td>
<td>0 11 761953 1</td>
<td>£22.00</td>
</tr>
<tr>
<td>11.</td>
<td>Customer Perceptions of Resettlement Units</td>
<td>0 11 761976 6</td>
<td>£13.75</td>
</tr>
<tr>
<td>12.</td>
<td>Survey of Admissions to London Resettlement Units</td>
<td>0 11 761977 9</td>
<td>£8.00</td>
</tr>
<tr>
<td>13.</td>
<td>Researching the Disability Working Allowance Self Assessment Form</td>
<td>0 11 761834 9</td>
<td>£7.25</td>
</tr>
<tr>
<td>14.</td>
<td>Child Support Unit National Client Survey 1992</td>
<td>0 11 762060 2</td>
<td>£15.00</td>
</tr>
<tr>
<td>15.</td>
<td>Preparing for Council Tax Benefit</td>
<td>0 11 762061 0</td>
<td>£5.65</td>
</tr>
<tr>
<td>17.</td>
<td>Employers’ Choice of Pension Schemes: Report of a qualitative study</td>
<td>0 11 762073 4</td>
<td>£5.00</td>
</tr>
<tr>
<td>18.</td>
<td>GPs and IVB: A qualitative study of the role of GPs in the award of Invalidity Benefit</td>
<td>0 11 762077 7</td>
<td>£12.00</td>
</tr>
<tr>
<td>19.</td>
<td>Invalidity Benefit: A survey of recipients</td>
<td>0 11 762087 4</td>
<td>£10.75</td>
</tr>
<tr>
<td></td>
<td>Title</td>
<td>Code</td>
<td>Price</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------</td>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>20</td>
<td>Invalidity Benefit: A longitudinal survey of new recipients</td>
<td>0117620882</td>
<td>£19.95</td>
</tr>
<tr>
<td>21</td>
<td>Support for Children: A comparison of arrangements in fifteen countries</td>
<td>0117620890</td>
<td>£22.95</td>
</tr>
<tr>
<td>22</td>
<td>Pension Choices: A survey on personal pensions in comparison with other pension options</td>
<td>0117620912</td>
<td>£18.95</td>
</tr>
<tr>
<td>23</td>
<td>Crossing National Frontiers</td>
<td>0117621315</td>
<td>£17.75</td>
</tr>
<tr>
<td>24</td>
<td>Statutory Sick Pay</td>
<td>0117621471</td>
<td>£23.75</td>
</tr>
<tr>
<td>25</td>
<td>Lone Parents and Work</td>
<td>011762147X</td>
<td>£12.95</td>
</tr>
<tr>
<td>26</td>
<td>The Effects of Benefit on Housing Decisions</td>
<td>0117621579</td>
<td>£18.50</td>
</tr>
<tr>
<td>27</td>
<td>Making a Claim for Disability Benefits</td>
<td>0117621625</td>
<td>£12.95</td>
</tr>
<tr>
<td>28</td>
<td>Contributions Agency Customer Satisfaction Survey 1993</td>
<td>0117622206</td>
<td>£20.00</td>
</tr>
<tr>
<td>29</td>
<td>Child Support Agency National Client Satisfaction Survey 1993</td>
<td>0117622249</td>
<td>£33.00</td>
</tr>
<tr>
<td>30</td>
<td>Lone Mothers</td>
<td>0117622281</td>
<td>£16.75</td>
</tr>
<tr>
<td>31</td>
<td>Educating Employers</td>
<td>0117622494</td>
<td>£8.50</td>
</tr>
<tr>
<td>32</td>
<td>Employers and Family Credit</td>
<td>0117622729</td>
<td>£13.50</td>
</tr>
<tr>
<td>33</td>
<td>Direct Payments from Income Support</td>
<td>0117622907</td>
<td>£16.50</td>
</tr>
<tr>
<td>34</td>
<td>Incomes and Living Standards of Older People</td>
<td>0117622990</td>
<td>£24.95</td>
</tr>
<tr>
<td>35</td>
<td>Choosing Advice on Benefits</td>
<td>0117623164</td>
<td>£13.95</td>
</tr>
<tr>
<td>36</td>
<td>First-time Customers</td>
<td>0117623172</td>
<td>£25.00</td>
</tr>
<tr>
<td>37</td>
<td>Contributions Agency National Client Satisfaction Survey 1994</td>
<td>0117623393</td>
<td>£21.00</td>
</tr>
<tr>
<td>38</td>
<td>Managing Money in Later Life</td>
<td>0117623407</td>
<td>£22.00</td>
</tr>
<tr>
<td>39</td>
<td>Child Support Agency National Client Satisfaction Survey 1994</td>
<td>0117623415</td>
<td>£35.00</td>
</tr>
<tr>
<td>40</td>
<td>Changes in Lone Parenthood</td>
<td>01176323490</td>
<td>£20.00</td>
</tr>
<tr>
<td>41</td>
<td>Evaluation of Disability Living Allowance and Attendance Allowance</td>
<td>0117623512</td>
<td>£40.00</td>
</tr>
<tr>
<td>42</td>
<td>War Pensions Agency Customer Satisfaction Survey 1994</td>
<td>011762358X</td>
<td>£18.00</td>
</tr>
<tr>
<td>43</td>
<td>Paying for Rented Housing</td>
<td>0117623709</td>
<td>£19.00</td>
</tr>
<tr>
<td>No.</td>
<td>Title</td>
<td>ISBN</td>
<td>Price</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>44</td>
<td>Resettlement Agency Customer Satisfaction Survey 1994</td>
<td>0 11 762371</td>
<td>£16.00</td>
</tr>
<tr>
<td>45</td>
<td>Changing Lives and the Role of Income Support</td>
<td>0 11 762405</td>
<td>£20.00</td>
</tr>
<tr>
<td>46</td>
<td>Social Assistance in OECD Countries: Synthesis Report</td>
<td>0 11 762407</td>
<td>£22.00</td>
</tr>
<tr>
<td>47</td>
<td>Social Assistance in OECD Countries: Country Report</td>
<td>0 11 762408</td>
<td>£47.00</td>
</tr>
<tr>
<td>48</td>
<td>Leaving Family Credit</td>
<td>0 11 762411</td>
<td>£18.00</td>
</tr>
<tr>
<td>49</td>
<td>Women and Pensions</td>
<td>0 11 762422</td>
<td>£35.00</td>
</tr>
<tr>
<td>50</td>
<td>Pensions and Divorce</td>
<td>0 11 762423</td>
<td>£25.00</td>
</tr>
<tr>
<td>51</td>
<td>Child Support Agency Client Satisfaction Survey 1995</td>
<td>0 11 762424</td>
<td>£22.00</td>
</tr>
<tr>
<td>52</td>
<td>Take Up of Second Adult Rebate</td>
<td>0 11 762390</td>
<td>£17.00</td>
</tr>
<tr>
<td>53</td>
<td>Moving off Income Support</td>
<td>0 11 762394</td>
<td>£26.00</td>
</tr>
<tr>
<td>54</td>
<td>Disability, Benefits and Employment</td>
<td>0 11 762398</td>
<td>£30.00</td>
</tr>
<tr>
<td>55</td>
<td>Housing Benefit and Service Charges</td>
<td>0 11 762399</td>
<td>£25.00</td>
</tr>
<tr>
<td>56</td>
<td>Confidentiality: The public view</td>
<td>0 11 762434</td>
<td>£25.00</td>
</tr>
<tr>
<td>57</td>
<td>Helping Disabled Workers</td>
<td>0 11 762440</td>
<td>£25.00</td>
</tr>
<tr>
<td>58</td>
<td>Employers’ Pension Provision 1994</td>
<td>0 11 762443</td>
<td>£30.00</td>
</tr>
<tr>
<td>59</td>
<td>Delivering Social Security: A cross-national study</td>
<td>0 11 762447</td>
<td>£35.00</td>
</tr>
<tr>
<td>60</td>
<td>A Comparative Study of Housing Allowances</td>
<td>0 11 762448</td>
<td>£26.00</td>
</tr>
<tr>
<td>61</td>
<td>Lone Parents, Work and Benefits</td>
<td>0 11 762450</td>
<td>£25.00</td>
</tr>
<tr>
<td>62</td>
<td>Unemployment and Jobseeking</td>
<td>0 11 762452</td>
<td>£30.00</td>
</tr>
<tr>
<td>63</td>
<td>Exploring Customer Satisfaction</td>
<td>0 11 762468</td>
<td>£20.00</td>
</tr>
<tr>
<td>64</td>
<td>Social Security Fraud: The role of penalties</td>
<td>0 11 762471</td>
<td>£30.00</td>
</tr>
<tr>
<td>65</td>
<td>Customer Contact with the Benefits Agency</td>
<td>0 11 762533</td>
<td>£30.00</td>
</tr>
<tr>
<td>66</td>
<td>Pension Scheme Inquiries and Disputes</td>
<td>0 11 762534</td>
<td>£30.00</td>
</tr>
<tr>
<td>67</td>
<td>Maternity Rights and Benefits in Britain</td>
<td>0 11 762536</td>
<td>£35.00</td>
</tr>
<tr>
<td>68</td>
<td>Claimants’ Perceptions of the Claim Process</td>
<td>0 11 762541</td>
<td>£23.00</td>
</tr>
<tr>
<td>69</td>
<td>Delivering Benefits to Unemployed People</td>
<td>0 11 762553</td>
<td>£27.00</td>
</tr>
</tbody>
</table>
70. Delivering Benefits to Unemployed 16–17 year olds  0 11 762557 4  £20.00
71. Stepping–Stones to Employment  0 11 762568 X  £27.00
72. Dynamics of Retirement  0 11 762571 X  £36.00
73. Unemployment and Jobseeking before Jobseeker’s Allowance  0 11 762576 0  £34.00
74. Customer views on Service Delivery in the Child Support Agency  0 11 762583 3  £27.00
75. Experiences of Occupational Pension Scheme Wind–Up  0 11 762584 1  £27.00
76. Recruiting Long–Term Unemployed People  0 11 762585 X  £27.00
77. What Happens to Lone Parents  0 11 762598 3  £31.00
78. Lone Parents Lives  0 11 762598 1  £34.00
79. Moving into Work: Bridging Housing Costs  0 11 762599 X  £33.00
80. Lone Parents on the Margins of Work  1 84123 000 6  £26.00
81. The Role of Pension Scheme Trustees  1 84123 001 4  £28.00
82. Pension Scheme Investment Policies  1 84123 002 2  £28.00
83. Pensions and Retirement Planning  1 84123 003 0  £28.00
84. Self–Employed People and National Insurance Contributions  1 84123 004 9  £28.00
85. Getting the Message Across  1 84123 052 9  £26.00
86. Leaving Incapacity Benefit  1 84123 087 1  £34.00
87. Unemployment and Jobseeking: Two Years On  1 84123 088 X  £38.00
88. Attitudes to the Welfare State and the Response to Reform  1 84123 098 7  £36.00
89. New Deal for Lone Parents: Evaluation of Innovative Schemes  1 84123 101 0  £26.00
90. Modernising service delivery: The Lone Parent Prototype  1 84123 103 7  £26.00
91. Housing Benefit exceptional hardship payments  1 84123 104 5  £26.00
92. New Deal for Lone Parents: Learning from the Prototype Areas  1 84123 107 X  £29.00
93. Housing Benefit and Supported Accommodation  1 84123 118 5  £31.50
<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>ISBN</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>94</td>
<td>Disability in Great Britain</td>
<td>184123 119 3</td>
<td>£35.00</td>
</tr>
<tr>
<td>95</td>
<td>Low paid work in Britain</td>
<td>184123 120 7</td>
<td>£37.00</td>
</tr>
<tr>
<td>96</td>
<td>Keeping in touch with the Labour Market</td>
<td>184123 126 6</td>
<td>£28.50</td>
</tr>
<tr>
<td>97</td>
<td>Housing Benefit and Council Tax Benefit delivery: Claimant experiences</td>
<td>184123 127 4</td>
<td>£24.00</td>
</tr>
<tr>
<td>98</td>
<td>Employers’ Pension Provision 1996</td>
<td>184123 138 X</td>
<td>£31.50</td>
</tr>
<tr>
<td>99</td>
<td>Unemployment and jobseeking after the introduction of Jobseeker’s Allowance</td>
<td>184123 146 0</td>
<td>£33.00</td>
</tr>
<tr>
<td>100</td>
<td>Overcoming barriers: Older people and Income Support</td>
<td>184123 148 7</td>
<td>£29.00</td>
</tr>
<tr>
<td>101</td>
<td>Attitudes and aspirations of older people: A review of the literature</td>
<td>184123 144 4</td>
<td>£34.00</td>
</tr>
<tr>
<td>102</td>
<td>Attitudes and aspirations of older people: A qualitative study</td>
<td>184123 158 4</td>
<td>£29.00</td>
</tr>
<tr>
<td>103</td>
<td>Relying on the state, relying on each other</td>
<td>184123 163 0</td>
<td>£27.00</td>
</tr>
<tr>
<td>104</td>
<td>Modernising Service Delivery: The Integrated Services Prototype</td>
<td>184123 162 2</td>
<td>£27.00</td>
</tr>
<tr>
<td>105</td>
<td>Helping pensioners: Evaluation of the Income Support Pilots</td>
<td>184123 164 9</td>
<td>£30.00</td>
</tr>
<tr>
<td>106</td>
<td>New Deal for disabled people: Early implementation</td>
<td>184123 165 7</td>
<td>£39.50</td>
</tr>
<tr>
<td>107</td>
<td>Parents and employment: An analysis of low income families in the British Household Panel Survey</td>
<td>184123 167 3</td>
<td>£28.50</td>
</tr>
<tr>
<td>108</td>
<td>Evaluation of the New Deal for Lone Parents: Early lessons from the Phase One Prototype Synthesis Report</td>
<td>184123 187 8</td>
<td>£27.50</td>
</tr>
<tr>
<td>109</td>
<td>Evaluation of the New Deal for Lone Parents: Early lessons from the Phase One Prototype Findings of Surveys</td>
<td>184123 3190 8</td>
<td>£42.50</td>
</tr>
<tr>
<td>110</td>
<td>Evaluation of the New Deal for Lone Parents: Early lessons from the Phase One Prototype Cost-benefit and econometric analyses</td>
<td>184123 188 6</td>
<td>£29.50</td>
</tr>
<tr>
<td>111</td>
<td>Understanding the Impact of Jobseeker’s Allowance</td>
<td>184123 192 4</td>
<td>£37.50</td>
</tr>
<tr>
<td>112</td>
<td>The First Effects of Earnings Top-up</td>
<td>184123 193 2</td>
<td>£39.50</td>
</tr>
</tbody>
</table>
113. Piloting change: Interim Qualitative Findings from the Earnings Top-up Evaluation 1 84123 194 0 £28.50
114. Building Up Pension Rights 1 84123 195 9 £33.50
115. Prospects of part-time work: The impact of the Back to Work Bonus 1 84123 196 7 £29.00
116. Evaluating Jobseeker’s Allowance 1 84123 197 5 £16.00
117. Pensions and divorce: The 1998 Survey 1 84123 198 3 £36.00
118. Pensions and divorce: Exploring financial settlements 1 84123 199 1 £24.00
119. Local Authorities and Benefit Overpayments 1 84123 200 9 £26.50
120. Lifetime Experiences of Self-Employment 1 84123 218 1 £31.50
121. Evaluation of the Pension Power Power for you Helpline 1 84123 221 1 £28.50
122. Lone Parents and Personal Advisers: Roles and Relationships 1 84123 242 4 £29.00
123. Employers Pension Provision 1 84123 269 6 £35.00
Social Security Research Yearbook 1990–91 0 11 761747 4 £8.00
Social Security Research Yearbook 1991–92 0 11 761833 0 £12.00
Social Security Research Yearbook 1992–93 0 11 762150 1 £13.75
Social Security Research Yearbook 1993–94 0 11 762302 4 £16.50
Social Security Research Yearbook 1994–95 0 11 762362 8 £20.00
Social Security Research Yearbook 1995–96 0 11 761446 2 £20.00
Social Security Research Yearbook 1996–97 0 11 762570 1 £27.00
Social Security Research Yearbook 1997–98 1 84123 086 3 £34.00
Social Security Research Yearbook 1998–99 1 84123 161 4 £30.00

Further information regarding the content of the above may be obtained from:
Department of Social Security
Attn. Keith Watson
Social Research Branch
Analytical Services Division 5
4–26 Adelphi
1–11 John Adam Street
London WC2N 6HT