



TRUSTEE TRAINING

ENHANCING KNOWLEDGE AND UNDERSTANDING

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Trustee Training

What is 'Trustee knowledge and understanding (TKU)'?

Pension scheme trustees have always had wide-ranging duties and responsibilities. However, it was not until 2005 that legislation has required that trustees have a 'sufficient' level of knowledge and understanding to undertake and fulfil these duties effectively and appropriately. Previously, sufficient knowledge had only been a best practice requirement.

In 2005, the Pensions Regulator (tPR) introduced a guidance framework (in practice, quasi-regulation) setting out the duties of trustees and the level of knowledge and understanding that it expects trustee boards to have. Since then, this guidance has been updated and expanded, meaning that the role of a trustee is now significantly more difficult and onerous than it used to be.

The guidance is contained within a Code of Practice which runs to 17 pages. This in turn makes reference to the 'scope of the requirements'; three separate documents setting out the detail – these run to a total of over 50 pages.

How important is TKU?

The short answer is, very! Increasingly, trustees are finding themselves in situations which require specialist understanding, often involving negotiations with sponsoring or participating employers over scheme funding or benefit structure amendments; or dealing with complex queries raised by members. More and more frequently, trustees and employers are seeking guidance and clearance from tPR to help them manage their schemes. This, together with the continued push by tPR for good governance, means that the demands being placed on trustees have risen greatly in recent years.

In the event of being involved with a scheme, tPR will usually ask for evidence of the trustees' previous actions, including details of their levels of TKU. It is very important that this can be demonstrated through a robust training record and log.

Failure to undertake duties effectively and appropriately can lead to tPR imposing sanctions on the scheme, the trustees and the employer, including personal fines and imprisonment.

How we help

We recognise that schemes vary enormously and the issues faced by trustees are diverse. Individual trustees have differing levels of knowledge, and differing knowledge requirements.

Our training solutions operate on a modular basis and are tailored to suit the requirements both of the trustee board as a whole and of the individual trustees, built around the core principles of the guidance.

We will assess the current knowledge levels of each trustee and build a programme around this.

Trustee Training

What are the benefits?

Tailored trustee and scheme specific training modules will benefit not only the trustees, but also the sponsoring employer and the pension scheme members, through:

Assessment and identification of both the knowledge levels and the knowledge requirements of the trustee board and individual trustees, to suit the scheme profile

Targeted and focused training to meet any knowledge gaps, including separate programmes for subcommittees, if appropriate

Enhancing the effectiveness of the trustee board, improving governance, compliance and controls

Providing comfort that issues relating to, or impacting on, the scheme such as benefit restructuring, investment, future funding and corporate activity, are fully understood and appropriately addressed

Ensuring that professional advisers are acting appropriately and that their advice is relevant and sound

Continued development to meet changing requirements and legislation

What does it cost?

Our services are tailored to each client, and our costs reflect the level of training that is provided.

Please contact us to discuss your particular requirements in more detail.

We make no charge for the initial assessment of trustee knowledge levels. Assessment forms can be requested from our website, or by getting in touch with your usual contact.

Contact information:

If you would like to discuss this further, please get in touch with your usual contact at Cartwright, or call **Martin Ralph** on 01483 860 201 or 07789 986 161 (email: martin.ralph@cartwrightgroup.co.uk).

Cartwright Group Ltd



About Cartwrights

Profile

Cartwright Group Ltd is a small, specialist independent pension and benefits consultancy with offices in Godalming, Surrey and Farnborough, Hampshire.

With a history dating back to 1986 under our original name of I S Cartwright & Co, we specialise in the provision of high quality actuarial, consulting and administration services for company pension and employee benefit programmes.

Through our highly qualified and experienced team of actuaries, consultants and administration staff, we adopt an integrated team-based approach to client management, working in partnership and proactively focusing on the key issues affecting our clients.

Services

We provide the full range of actuarial, consulting and administration services to our clients to allow them to effectively and efficiently manage their pension and employee benefit arrangements.

We also provide actuarial advice in non-pension areas including: loss assessments, valuing life interests, cash flow models for retirement villages and reversionary property portfolios.

Our team will focus on anticipating and identifying concerns and needs before they develop into problems, and will suggest appropriate action plans.

We have the skills, experience and resources to help businesses, trustees and employees face the challenges ahead –

our clients' responsibilities are our responsibilities

Take a step in the right direction...

The decisions you make today about the future of your pension and employee benefit arrangements have never been more crucial. Make the right decisions for your business with Cartwright Group by your side providing all the services and advice you need...in plain English.



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