

# UNIVERSITY OF READING PENSION SCHEME

## Member Nominated Trustees (MNTs) July 2020

Approved by Board of Trustees 21 July 2020

### Overview

The Pensions Act 2004 requires that the Trustees of an occupational scheme must:

- within a reasonable period put in place arrangements for at least one third of the total number of trustees to be member nominated trustees; and
- ensure that those arrangements are implemented.

The University of Reading Pension Scheme began on 1 August 2011. Originally, the Trustee arrangements provided for the University of Reading to act as a Corporate Trustee. However from 1 August 2012 the University was replaced by named individual Trustees, comprising an independent Chair plus one other University appointment. As an additional Employer Nominated Trustee (ENT) was appointed with effect from 13 October 2014, this created an additional MNT vacancy to comply with the one third MNT minimum requirements of the Pensions Act 2004. The Board of Trustees, therefore, consists of an independent Chair, two Employer Nominated Trustees and two Member Nominated Trustees.

As the Scheme only has active and deferred members at present, given the profile of the deferred members, the arrangements provide for the nomination and selection of active members only as MNTs. It is not expected that the Scheme will ever have a body of pensioner members because of the requirement under the Rules to purchase individual annuity contracts for members on retirement. However, should this change in the future the appointment of a pensioner trustee will be considered and these arrangements will be reviewed if necessary.

### Duration of Arrangements

These arrangements are to be reviewed at three yearly intervals, commencing June 2023, in order to review:

- the requirements/necessity for extending the categories of MNT to deferred members and/or pensioner members;
- their continuing validity in the light of any changes to the scheme or legislative or regulatory requirements;
- the continuing appropriateness of the term of each MNT appointment;
- the continuing appropriateness of the use of email as the primary means of communication with members on MNT arrangements.

The Trustees reserve the right to amend these arrangements whenever they determine it appropriate to do so.

A review of the MNT rules was been carried out in 2020 resulting in these updated MNT rules. This review was undertaken by the Trustees due the desire to create a more appropriate process for the appointment of an MNT whereby the Board of Trustees would have oversight of the process with a view to taking into consideration the make-up of the Board as a whole where possible. A diverse Board is required and so the needs of the Board, along with societal demographics (eg race, age, gender) should be taken into account.

## In service Constituency

### MEMBER CONSTITUENCY

The sole constituency covers those members who are entitled to be appointed as MNTs and who are entitled to elect such an MNT. This constituency comprises the following **eligible** members:

- members currently paying contributions into the Scheme, or who would be paying contributions but for their participation in the salary exchange arrangements,
- any member who would be contributing to the Scheme (or participating in the salary exchange arrangements) but for the fact that they are on unpaid leave (including family leave).

### APPOINTMENT

The appointment will normally last three years but would be curtailed early if

- the MNT resigns; or ceases to meet the eligibility criteria outlined above whether due to death, leaving employment, a change in membership status, ceasing to have benefits under the Scheme or for any other reason, or
- the MNT becomes ineligible under pensions legislation to act as a trustee, or
- all the other Trustees agree unanimously to remove the MNT.

In these circumstances a vacancy will arise and a new MNT will be elected. The new MNT will be appointed for the full three-year term of office rather than for the remainder of the ex-Trustee's term.

### ELIGIBILITY FOR NOMINATION AS AN MNT

Anyone may nominate themselves as an MNT as long as they

- satisfy the above constituency eligibility criteria;
- are aged 18 or over; and
- are not an undischarged bankrupt, have not been disqualified from being a director and have not been convicted of an offence involving dishonesty or deception.

---

## Appointment Procedure

Details of the appointment procedure for an MNT are given below:

- Communication of an MNT election to members will be via email. Colleagues in the Staff Forum and Estates & Facilities will be asked to assist with the dissemination of information and to encourage Scheme members to participate fully in the exercise.
- Appointment of an MNT is subject to the candidate meeting the requirements as outlined in the Role Description.

- Constituency members who wish to nominate themselves will be invited to submit an application to the Secretary to the Trustees by a stated closing date. The period during which applications may be submitted will be not less than fourteen days.
- The candidate should complete the application form as fully as possible and sign the Declaration.
- The form must be received by the Secretary to the Trustees by the date specified.
- Once the closing date has passed, all applications shall be reviewed by the Selection Panel to ensure that candidates are suitable and will bring the required skills, knowledge and experience to the role. The Trustees are committed to having a diverse Board made up of individuals with a range of skills, experience, behaviours and societal demographics (eg race, age, gender).
- The Selection Panel shall comprise the Chair of Trustees, one Employer Nominated Trustee, one Member Nominated Trustee and the Secretary to the Trustees.
- Those candidates who are adjudged to meet the selection criteria shall then be interviewed by the Selection Panel which will be able to veto candidates they do not believe to be suitable without giving reasons for the veto. All Trustees will be invited to attend the interviews should they so wish.
- Once the Selection Panel has completed the interviews and determined if the candidate(s) will bring the appropriate skills and experience to the Board of Trustees, details of those candidates will be shared with all Scheme members in order for the ballot to take place.
- If there is only one appropriate candidate for the vacancy then that candidate will be automatically elected without requiring a ballot of members.
- If there are two or more appropriate candidates, then a ballot amongst constituent members will take place to determine the successful candidate.
- In the event of a ballot, submitted application forms will be circulated with the voting papers. All personal details (apart from the candidate's name and educational background) will be removed from the copy to be circulated to constituent members. The Trustees reserve the right to amend or remove any information which they consider to be incorrect or misleading.
- Any ballot shall take place over a period of not less than seven days to be determined by the Secretary to the Trustees.
- The Secretary to the Trustees shall issue the appropriate ballot paper to the constituent members which may be via an electronic voting system or may be in hard copy as appropriate.
- The votes shall be counted by the Secretary to the Trustees.
- A return stating the results of the voting and signed by the Secretary to the Trustees shall be forwarded to the Chair of the Trustees.
- The Secretary to the Trustees shall communicate the name of the successful candidate to the constituent members of the Scheme and to the Trustees.

Stephanie A May  
Secretary to the Trustees