



INDEPENDENT AND PROFESSIONAL TRUSTEE SERVICES

For pension schemes

TRUSTEE SERVICES


ALEXANDERFORBES
Securing your financial well-being

ALEXANDER FORBES TRUSTEE SERVICES

Independent and professional trustee services for pension schemes

“Trusteeship is a people business. A professional trustee must be skilled, informed, experienced, qualified and knowledgeable, able to communicate clearly and above all, make time to listen.”

ABOUT US

Alexander Forbes Trustee Services (AFTS) is one of the largest firms of independent trustees by number of appointments and operates throughout the UK.

AFTS was incorporated in the UK in 1972 and is a trust corporation. As a member of the Association of Corporate Trustees (TACT), the National Association of Pension Funds (NAPF) and founding members of the Independent Pension Trustees Group (IPTG), our expertise is always maintained.

Our senior managers have been with the firm for over 10 years and in many cases for much longer. Our highly experienced team is multidisciplinary, with backgrounds in the insurance industry, pension schemes, benefits consultancies, business, legal firms, and with the Pensions Advisory Service (TPAS). As a result, we can provide all the skills required to ensure that demands of pension scheme governance are met. Having dealt with over 1,000 schemes since 1990, we are confident in our ability to tackle the most complex and unexpected situations.

APPLYING OUR EXPERIENCE

The duties of pension scheme trustees are increasingly complicated and onerous. Trying to keep pace with changing pensions’ legislation and regulations is a tough but essential job.

We understand the complexity of negotiations between trustee boards and employers in active, closed and wind-up situations. We have extensive knowledge of these sensitive issues, backed by several decades of hands-on experience.

The appointment of an independent professional trustee to the board can eliminate points of conflict, and can provide an impartial channel of communication between the trustees and the employer. Our senior team are all flexible in their approach and happy to support or lead discussions with employers on important issues. They have considerable experience in dealing with conflict and reaching appropriate and mutually satisfactory solutions for both the trustees and the employer.

Our approach is to take a pragmatic view wherever possible.

The following pages outline the services that we offer.

OUR SERVICES FOR PENSION SCHEMES

PROFESSIONAL TRUSTEE

As the role of trustee becomes increasingly more demanding, we believe that a professional trustee can play a vital part in ensuring that a pension scheme is managed with maximum efficiency and at a controlled cost. This applies to all schemes; whether a pension scheme is an active arrangement, closed - either to new entrants or for future accrual, or in wind-up.

The further benefits of appointing an independent trustee include:

- Freeing up valuable time
- Managing conflicts of interest
- Enabling timely and appropriate decisions to be made

We are happy to act as a trustee in the following roles:

- Chairman and/or secretary
- Sit as co-trustee
- Sole trustee

Our services include:

- Ensuring compliance with pensions legislation and best practice in governance
- Managing third party services and costs to ensure trustees receive best value and derive maximum benefit from professional advisers
- Providing leadership to the board on investment strategy and de-risking options
- Encouraging and fostering positive dialogue between trustees and the employer to achieve the right outcomes
- Assisting with the design and implementation of scheme restructures
- Providing specialist support with corporate transactions, clearance applications, PPF negotiations and debt apportionment arrangements
- Project managing the wind-up process
- Providing dispute resolution and mediation

TRUSTEE TRAINING

The combination of a well-informed trustee board, supported by a professional trustee, meets the very highest standards demanded by the government and regulators.

Under the terms of the Pensions Act 2004, trustees are expected to be conversant with the documents governing their scheme, and have a knowledge and understanding of the law relating to pensions and trusts, and the principles behind scheme funding and investments - TKU. They must also develop negotiation skills in order to deal with their key relationships with the employer, the trade unions or other employee representative bodies, and with their professional advisers.

In order to assist trustees to comply with the requirement to assess their knowledge and understanding, AFTS has created a TKU Healthcheck service.

Our assessment process includes:

- Completion of a questionnaire which interrogates trustee knowledge and understanding of the key features of pensions law and management, as required by the Pension Regulator
- Analysis of the data to highlight areas that require priority training
- Design of a bespoke training plan

To complement this, we have designed a suite of training modules which can be carried out on a bespoke or seminar basis.



OVERVIEW OF OTHER SERVICES

Trustees are responsible for the administration and governance of their pension schemes and the security of the scheme's assets. Even where some of the functions have been delegated to third parties, the trustees remain responsible for ensuring that those functions are properly carried out.

AFTS recognises that there can be no 'one size fits all' solution for pension schemes and offers a range of complementary services to create a tailored solution.

SCHEME GOVERNANCE ASSESSMENT

The Pensions Act 2004 requires trustees and managers of pension schemes to have in place adequate internal controls to help them monitor the management and administration of the scheme and for the security and safe custody of the scheme assets. The details of the requirements are laid down in a Code of Practice issued by The Pensions Regulator.

Based on our long experience in managing occupational pension schemes, we can assist trustees with the risk assessment process, along with the drafting and implementation of appropriate controls to minimise the risks to the finances and credibility of the scheme and the trustees. We are also happy to provide this service even where we are not a trustee to the scheme.

SECRETARIAL SERVICES

At the heart of any governance regime is a programme of carefully considered trustee meetings. These must be planned in advance and the necessary paperwork and follow-up diligently marshalled. We are happy to act as secretary to the trustees to ensure that the meetings run as smoothly as possible.

CHAIR OF THE TRUSTEES

The orchestration of the trustee meeting is of vital importance. Not only must the chair ensure that the business of the meeting is properly conducted, he or she must also make sure that all of the trustees are able to air their views in an atmosphere of confidence and equality.

Alexander Forbes Trustee Services is happy to fulfil this role.

DUE DILIGENCE REPORTS

Many a corporate deal has been scuppered because of surprises surrounding the pension scheme of the target company. Forewarned is forearmed. We are able to perform a rapid assessment of the nature of the scheme and its current status, and have the experience and forensic skills to identify issues that may otherwise prove to be a problem during or after the transaction is complete.

CONSULTANCY

However confident a trustee board may be of its own abilities, from time to time it may appreciate comments from an experienced professional to ensure it is properly focused on all areas of trusteeship.

We are able to attend meetings and/or training sessions on a consultancy basis to review and report back on a trustee board's procedures, paying particular attention to areas where the board may lack experience. We will then suggest the implementation or variation of procedures to augment or strengthen the performance of the board.

DISTRESSED COMPANY SOLUTIONS

Our experience can help in situations where pension scheme funding proposals cause financial distress to employers, or where the existence of a pension scheme inhibits the ability of the employer to obtain or renew financing. We find that employers and trustees are often unaware of the options available, other than insolvency proceedings or application to the Pensions Regulator (tPR) and Pension Protection Fund (PPF) to put in place a compromise deal.

We have this experience and, importantly, the specialist expert contacts in legal, actuarial and finance fields to propose and drive through alternative proposals.





OUR SERVICES FOR INSOLVENCY PRACTITIONERS

For several decades, AFTS has provided specialist pension services for insolvency practitioners and business recovery professionals. The pension issues that result from insolvency cases are extremely complicated and sensitive. The Alexander Forbes PensionBrief is the ultimate survival guide.

The PensionBrief service provides:

- A rapid response report to assess the situation
- A detailed description of the structure of the pension arrangements
- Guidance on whether the scheme should report under Section 120 of the Pensions Act 2004
- A full audit of the immediate and impending issues that must be tackled
- A clear presentation of the available options
- An executive summary that sets out the main considerations and the necessary actions

The report is provided at a fixed cost per scheme.

The PensionBrief service will provide a thorough assessment of any work required to complete the winding up of the scheme. This work may then be undertaken via our TrustEase service. TrustEase transfers the risk of trusteeship to AFTS and is designed to speed up the process of winding up company pension schemes and reduce the overall cost and risk to our client.

AFTS recognises that there can be no 'one size fits all' solution for pension schemes and offers a range of complementary services to create a tailored service.

TO FIND OUT MORE

If you would like to receive further information about any of the services described in this brochure or discuss the issues raised, please contact:

Tim Culverhouse
Tel: +44 115 941 1031

TRUSTEE SERVICES



Alexander Forbes Trustee Services Limited | 6th Floor, Market Square House, St James's Street, Nottingham NG1 6FG | **Tel:** +44 115 941 1031 | **Fax:** +44 115 924 1869
www.alexanderforbestrusteeservices.co.uk | Registered in England and Wales at 5th Floor, Leon House, 233 High Street, Croydon, Surrey CR9 9AF | Company Number: 1050578