

# The Trustee toolkit downloadable

## The trustee's role

### Scenario one

In this scenario you will meet your colleagues, Adam and Tony, to find out more about what being a trustee involves.

As you work through this scenario you will be tested on your knowledge at decision points. Here you will have the option to work through a related technical tutorial before returning to the scenario or you can skip the tutorial. You can always work through the tutorial separately later if you would prefer.

This scenario includes two tutorials:

- ▶ Becoming a trustee
- ▶ Trustee meetings

#### Glossary

A detailed glossary of technical terms can be downloaded from the Resources tab when you log in at [www.trusteetoolkit.com](http://www.trusteetoolkit.com)

## What are the issues?

Adam has been trying to get hold of you as the trustee board needs a decision as to whether you wish to stand. You agree to meet Adam as you have some questions about the role.



### A lot of responsibility?

It sounds like a big responsibility, I'm really not sure if I'm up to it.

Adam says: "Yes, the role of the trustee is a responsible job. But, provided you exercise the same reasonable care, prudence and diligence as you would managing your own affairs you'll be doing a good job."

### Support?

I'm going to be a complete novice, will there be others to help me get up to speed?

Adam says: "The board has several other trustees who are all very experienced so you are not alone. Tony is happy to help so he'll bring you up to speed on the scheme trust deed and rules."

### Knowledge?

What do I need to know? What training is available?

Adam says: "You will need to learn more about pensions and investments than you do now but Tony will help you with that. He'll organise some initial training for you and we invite specialists and advisers in from time to time to explain more challenging concepts!"

### Time?

How much of my time will this take up? Will we be meeting every week?

Adam says: "It's not too onerous but you should chat with Tony again to find out more about how often meetings are held."



### Decision point: What are your thoughts so far?

After talking around the subject for some time, Adam asks if you're still keen to stand. Of the answers below, which one is correct?

1. It sounds like I've got a whole year to get up to speed on pension and investment knowledge. The other trustees can make decisions without me until then and I won't be responsible.
2. It's a big responsibility but it sounds like I've got six months to get up to speed on pension and investment knowledge. I'll be joining in decisions straight away so it's good that Tony has some initial training lined up and there will be other trustees to help me.
3. It's too big a responsibility for me. I won't be able to cram all that pension and investment knowledge in before the first meeting so that I am at the same level as the other trustees.

[Answers at the back](#)



Need help with this question? Read the Tutorial 'Becoming a trustee'

## More questions

Adam arranges for you to meet Tony again to talk about the time commitment before making a decision.

Tony says: "You're worried about the time this will take up, I understand. Well the whole trustee board usually meets quarterly but some of the trustees are on sub-committees so they will have other meetings that the whole board won't need to go to.

There is some work to do in between meetings though. I usually send out papers three weeks before with an agenda. You'll need to prepare for the meeting and usually there are some actions to do afterwards. But it isn't too onerous. So do you think you'll stand for election?"



### Decision point: Making a decision

Thinking about the time involved in being a trustee, which one of the three statements below do you think best reflects the role?

1. I need to make sure I am fully prepared for each meeting by reading the agenda and papers in advance. But once the meeting is over that's it for another three months.
2. It seems like a lot of work both before and after the quarterly meetings. However it won't matter if I don't attend some meetings when I'm too busy with work. I expect I can fit in a couple of meetings a year.
3. I'll need to prepare for each meeting in advance by reading the papers and agenda. The meetings are also carefully minuted so I'll need to read those after every meeting too.

[Answers at the back](#)



Need help with this question? [Read the Tutorial 'Trustee meetings'](#)

## Rounding up

You decide to stand and you're elected! In scenario two Tony will talk to you about conflicts of interest and you'll attend induction training to learn more about trustee duties, powers and liabilities.

Now that you have completed this scenario we would recommend that you begin to work through the 'Check your scheme' worksheet for this module.

## Answers

### Decision point: What are your thoughts so far?

The second answer is correct. New trustees have six months to acquire the pensions and investment knowledge described in the Trustee knowledge and understanding (TKU) code of practice.

However, even a new trustee is accountable in law and must be equipped to make the decisions with which he or she might be faced. New trustees may find they need to prioritise their learning according to the agenda of the early trustee meetings which they attend.

### Decision point: Making a decision

The third answer is correct. Trustees are expected to attend all scheme meetings unless there are exceptional circumstances, so planning to attend only a few from the outset is not right.

As well as preparing for the meeting in advance by reading the papers and agenda, trustees must keep written records of meetings, usually called 'minutes'. These are circulated quite quickly after the meeting and trustees should check these to make sure they accurately reflect the meeting and include any decisions made.