



Becoming a Member Nominated Trustee Director

have you considered applying?

Contents

What is a Trustee Director?	2
Could you be a Trustee Director?	3
Joining a like-minded team	4
Existing arrangements	4
Member Nominated Trustees	4
The role	4
Time commitment	5
Period of appointment	6
Understanding the rules	7
Responsibilities	8
Prudent investing	8-10
Discretionary powers	10
Nomination and selection process	12-14
Election timetable	15
Nomination form	

What is a Trustee Director?

Most occupational pension schemes in the UK, including the MRC Pension Scheme, are set up as trusts. This provides security for the members' benefits by ensuring the assets of the Scheme are kept separate from those of the employer. It also means the Scheme can take advantage of certain tax allowances.

A Trustee is a person or a company, which acts separately from the employer, and holds assets on behalf of the members of the pension scheme. The MRC Pension Scheme has a corporate trustee, a limited company called MRC Pension Trust Limited.

The trustee company has no income or expenditure in its own right. It has a board of directors whose primary responsibility is to the members of the Scheme, on whose behalf the Trustee Directors are required to act impartially, prudently and in good faith.

*Remember, if you wish to apply to become
a Trustee Director of the Scheme,
your nomination must be received by 17 June 2019*

Would you like to become a Trustee Director?

How would you like to take a more active role in the management of the MRC Pension Scheme?

We are looking for two active or pensioner members to become a Member Nominated Trustee Director (MND). Trustee Directors must be nominated by active members and by pensioner members who have worked previously for MRC.

A summary of a Trustee Director's duties:

- to see that all members receive the benefits to which they are entitled on a timely basis
- to be familiar with key Scheme documents, such as the Trust Deed and Rules and the Members' Guide
- to have sufficient knowledge and understanding of trust law, funding principles and investment principles
- to ensure that the Scheme complies with all statutory requirements
- to appoint professional advisers to help with the running of the Scheme
- to monitor the security of members' benefits and to ensure the Scheme is adequately funded
- to check that the correct amount of money is received by the Scheme and that proper records are kept, showing what happens to it from year to year
- to ensure that the assets of the Scheme are prudently invested and held securely and separate from those of the employer
- to exercise discretionary powers in certain situations
- to ensure that members know about the benefits they are entitled to and understand how the Scheme is run, through regular and timely communications.

Joining a like-minded team

Existing arrangements

The Board of MRC Pension Trust Limited consists of nine Directors. Four Directors are drawn from UKRI as principal sponsoring employer and four are nominated by members. The Chairman is independent of UKRI or Trade Unions.

Member Nominated Trustee Directors (MNDs)

With the agreement of MRC and Trade Union Side, the Scheme's Trustee Directors established a selection process to decide how Directors are nominated by members.

There are two positions to be filled as the term of office of two existing Member Nominated Trustee Directors will come to an end on 30 November 2019.

The role: providing fair representation for all members

Each Member Nominated Trustee Director must separate his or her duties and responsibilities as a Trustee Director from their role as a member of the Scheme. All classes of beneficiary — contributing members, pensioners and members with deferred pension entitlement — must be treated fairly. It is not the role of a Trustee Director to represent the interests of any particular group or individual, or particular group of members.

How much time is involved?

The Trustee Directors normally meet three times a year. There are a number of investment sub-committee meetings each year. A significant level of reading is often necessary to prepare for meetings and time also needs to be set aside for travel and training. Scheme specific training takes place annually in January and a members' forum is held biennially in October.

Member Nominated Trustee Directors may claim reasonable expenses incurred in carrying out their duties but will not be paid for their services. However, Member Nominated Trustee Directors who are pensioners of the Scheme will be paid £3,000 per annum in addition, or such other amount as shall be determined by the Trustee and Pensions Manager (on behalf of the Scheme) from time to time.





How long does a Member Nominated Director serve?

Other than at the end of the term, an MND will cease to be a Trustee Director if any of the following apply:

- they cease to be an active member and become a deferred member of the Scheme
- they wish to resign as a Trustee Director
- they are removed by a unanimous agreement of the other Trustee Directors
- they become ineligible for legal reasons.

An MND will be appointed for a period of four years, although for the first roles under this arrangement the terms of the MNDs were staggered with one MND with a term of three years, two MNDs with a term of four years and one MND with a term of five years. At the end of the term, the MND will retire from office but may put himself/herself forward for re-election.

The appointment is renewable up to a maximum of three terms, but the aggregate period must not exceed 15 years.

It is possible for an MND to resign by written notice before the term has ended. An MND can only be removed from the Board of MRC Pension Trust Limited by unanimous agreement of the other Trustee Directors, or if they become ineligible for legal reasons.

Understanding the Trust Deed and Rules

The MRC Pension Scheme is governed by a Trust Deed and Rules, the legal document which governs the way the Scheme is run. A fundamental duty of a Trustee Director is to administer the Scheme in line with these rules.

Newly appointed Trustee Directors must read both the Members' Guide and the Trust Deed and Rules as soon as possible. The guide is written in plain English and the Scheme's advisers are on hand to give guidance through any difficult legal language encountered in the Trust Deed and Rules.

Trustee knowledge and understanding

Trustee Directors are at the heart of the decision making process and make an important contribution

to the management of the Scheme. They need to know about the MRC Pension Scheme and understand the basic principles of the statutory framework within which it operates. It is their responsibility to ensure that their knowledge and understanding are kept up to date. Comprehensive training will be provided to new Trustee Directors when they join the Board and during their term of office. They are also well supported by specialist advisers including actuaries, lawyers and investment managers.

Trustee Directors are expected to hold the Trustee Toolkit certificate offered by The Pensions Regulator, or to complete the Toolkit within a reasonable time following appointment.

Working with the employer

The Trustee Directors work closely with the principal employer, which is now UKRI, on matters affecting the operation of the MRC Pension Scheme. The Trust Deed and Rules set out the different powers and responsibilities of the employer and the Trustee Directors and both parties need to work together to successfully administer the Scheme in the best interests of the membership.

Understanding the responsibilities

Trustee Directors can be held personally liable for any loss which they cause the Scheme as a result of a **breach of trust**. They can be held liable for actions taken while they were a Trustee Director even after they have stepped down from the role.

A breach of trust happens when:

- you carry out an act as a Trustee Director which you are not authorised to do under the Trust Deed and Rules - unless agreed by the court or directed by the Pensions Regulator;
- you fail to do something you should have done under the Trust Deed and Rules;
- you do not perform one or more of the duties you have under trust law or pensions legislation.

Trustee Directors may be in breach of trust unintentionally because of an administrative error, or through negligence, or fraudulent or dishonest behaviour. That is why it is important to have procedures in place for checking that those involved in running the Scheme are doing their jobs properly.

The MRC Pension Scheme is a well run scheme with the support of the Pensions Manager and skilled advisers such as actuaries, lawyers and others. JLT (formerly known as Ensign) administer the MRC Pension Scheme on a day-to-day basis and have a secure Trustee website.

Given this level of support and advice, the possibility of the Trustee Directors incurring penalties should be remote.

This protection does not, however, cover wilful neglect or criminal conduct or fraud.

Prudent investment decisions

It is particularly important that Trustee Directors act in a prudent way when investing the Scheme's funds. The members of the MRC Pension Scheme place their trust in the Trustee Directors to look after the financial assets that will provide their pensions and other benefits.

Directors should act prudently, conscientiously and honestly, and should be aware of the basic requirements of relevant financial services legislation.

The Trustee Directors determine investment principles, broad investment policy and the percentage of the fund's assets to be placed with each investment manager. The managers select the most suitable in the light of current economic trends and the Trustees' investment policy, having regard for any views expressed at regular meetings with the Trustees.

Although everyday investment decisions are made by others, the Trustee Directors still have overall responsibility for the investment strategy, monitoring progress and making sure the chosen investment managers are suitable persons to carry out the task effectively.

Trustee Directors have to consider:

- the need to have a spread of investments to minimise risk
- the suitability of investments to the needs of the Scheme, both now and in the future
- the need to get appropriate professional advice before taking decisions.



As a general rule, Trustee Directors will not be held accountable for mistakes made by the investment manager as long as they have made sure that the manager:

- is authorised under the Financial Services Act 1986
- has the appropriate knowledge and experience for managing investments
- carries out work in line with the Investment Management Agreement.

An investment sub-committee has been established to monitor investment performance and review investment strategy.

Discretionary powers

The Trustee Directors may be required to make decisions affecting benefits which are discretionary. For example, they may decide:

- who will receive a dependant's pension
- who will receive lump sum death benefits
- whether to pay an ill health retirement pension.

In taking these decisions, it is the responsibility of the Trustee Directors to ask for, and consider, all the relevant information to help them make a decision.

The authority to make these decisions is normally delegated to the Secretary. Overall responsibility, however, remains with the Trustee Directors.



The nomination and selection **process**

Where a vacancy arises (either at the end of a term or with 12 or more months of a term remaining), a nomination and selection process will be undertaken within a reasonable period. If the vacancy is not filled, that process will be repeated within at least 18- month intervals until the vacancy is filled.

To be eligible to become a Member Nominated Trustee Director (MND), a person must:

- be an active member of the Scheme or a pensioner member of the Scheme who has worked previously for MRC.
- be willing, able and consent to undertake the duties of a Trustee Director
- not be convicted of any offence involving dishonesty or deception (unless the conviction is no longer regarded as having effect) or be the subject of criminal proceedings involving dishonesty or deception
- not be declared bankrupt in the last five years or

be currently disqualified from being a director of a company

- not have been disqualified from acting as a trustee or a director of a corporate trustee by the Pensions Regulator.
- have completed the five core modules of the Trustee Toolkit (www.tpr.gov.uk).

Active and pensioner members will be invited to nominate MNDs.

An individual must provide a valid nomination that shows they are either an active or pensioner member of the Scheme, and that they have:

- five active members in support; or
- five pensioner members that were previously active members in support; or
- any combination of active and pensioner members that total five, in support.



To nominate an MND please complete and return the enclosed Nomination Form in accordance with the instructions stated on the document - only nominations received on the attached form will be considered.

Selection procedure

Where a valid nomination is received for a position, the merit of the nomination will be subject to review by a selection panel.

The selection panel will consist of:

- the Chairman of the Trustee Directors
- the Scheme Secretary
- at least one other member of the Scheme elected by Trustee Directors, but not a current MND, where that MND is standing for re-election.

For this exercise, Mrs Carole Walker will complete the panel.

Selection criteria

The selection panel will review the suitability of each nomination against criteria determined by the Trustee Directors, including amongst other things;

- experience and understanding of pensions Issues
- availability and commitment to the role
- impartiality and motivation in seeking appointment
- progress towards completing the Trustee Toolkit

If the number of suitable nominees, as determined by the selection panel, is greater than the number of vacancies, there will be a ballot of active and pensioner members.

The terms of the ballot will be communicated when an election needs to take place.

For this exercise, a ballot will take place in August if there are three or more suitable candidates.

Timeframe

Nominations should be sent to Jim Clerkin at MRC, One Kemble Street, London WC2B 4AN. They should be marked 'private & confidential'.

All nominations must be received by no later than **17 June 2019**. The selection panel will complete its deliberations by 27 June 2019.

A further communication will be sent to all members once a decision has been reached and the successful, and any unsuccessful, candidates have been informed.

If a ballot is necessary, it will be held in August 2019.

The following further timetable will apply:

- the term of office of the current MNDs will cease on 30 November 2019
- the term of office of the new MNDs will commence on 1 December 2019
- a newly appointed MND will be invited to attend the Trustee meeting on 26 November 2019 as an observer
- the annual training of the Trustee Directors will take place on 23 January 2020.

Your nomination must be received by 17 June 2019

Nomination Form

Application for the position of Member Nominated Trustee Director of MRC Pension Trust Limited, the corporate trustee of the MRC Pension Scheme.

Applicant name
Staff/Pension number
Home address
Postcode

MRC • One Kemble Street • London • WC2B 4AN

Email: james.clerkin@mrc.ukri.org

Member website: www.mrcps.co.uk

Personal Statement

Please prepare a statement of no more than 250 words detailing the following important information and email the statement to: james.clerkin@mrc.ukri.org

Reasons for your interest - explain the reasons why you wish to be considered for appointment as a Member Nominated Trustee Director.

Previous experience in pensions - provide details of any experience, knowledge or interest you have in pensions which you think may be beneficial to your application, including whether you already hold or have started the Trustee Toolkit certificate.

Other relevant experience - please detail any other outside experience you have which may assist you in undertaking the responsibilities of a Member Nominated Trustee Director. You should include membership of any social or community organisation, such as a Local Authority, tribunal, trade union committee, trusteeship of a charity or any other organisation.

This form must be completed on both sides and returned by 17 June 2019

Nomination Form

Important: To be considered for the post of Member Nominated Trustee Director, you must be an active member of the MRC Pension Scheme or a pensioner that has worked previously for MRC. Your nomination must be supported by five other active or pensioner members who were previously active members of the Scheme. As evidence of their support, please ask them to print their names and sign in the spaces below.

We wish to nominate..... to be put forward as a candidate for the post of Member Nominated Trustee Director of the MRC Pension Trust Limited, the corporate trustee of the MRC Pension Scheme.

Nominating member - 1	Staff/Pension No.	Signature
.....
Nominating member - 2	Staff/Pension No.	Signature
.....
Nominating member - 3	Staff/Pension No.	Signature
.....
Nominating member - 4	Staff/Pension No.	Signature
.....
Nominating member - 5	Staff/Pension No.	Signature
.....

Consent

(to be completed by the candidate)

I hereby consent to my nomination as a prospective Member Nominated Trustee Director of the MRC Pension Trust Limited, the corporate trustee of the MRC Pension Scheme.


I declare that all the information in the above form is true and correct and I am eligible to undertake the role of Trustee Director.

Signature

.....

Date

.....

 Please complete this form and send it to:

Jim Clerkin
MRC • One Kemble Street •
London • WC2B 4AN

This form must be completed on both sides and returned by 17 June 2019

