

Northern Ireland Civil Service Pension Board

Terms of Reference

1. INTRODUCTION:

- 1.1. The paper sets out the Terms of Reference for the Northern Ireland Civil Service Pension Board (NICSPB), which was established from 1 April 2015, in accordance with Article 4 of the Public Service Pensions Act (Northern Ireland) 2014. The Scheme Manager is responsible for managing, administering and reviewing the Board's terms of reference. Any changes arising from such reviews would be subject to consultation with member and employer representatives.

2. SCOPE OF THE NICSPB:

- 2.1. The purpose of the NICSPB is to carry out, within the constraints of the Scheme Manager, the roles and responsibilities that a Trustee Board would fulfil for a private sector occupational pension scheme.
- 2.2. The NICSPB's overriding aim is to ensure that all members¹ receive their correct benefits on time and in accordance with the scheme rules and regulations. The Board will seek to ensure that in general members experience good outcomes and receive excellent customer service.
- 2.3. The NICSPB will ensure effective administration and proper use of scheme funds in accordance with such Codes of Practice that may be issued by the Pensions Regulator.
- 2.4. The NICSPB does not have responsibility for providing advice on the desirability of changes to the scheme and on matters of policy.

3. ROLES AND RESPONSIBILITIES OF THE NICSPB:

¹ All members' means active, deferred and pensioner members of the Northern Ireland Civil Service pension schemes.

- 3.1. The NICSPB will ensure the effective administration of the scheme by scrutiny of the level and quality of service provided for the membership, employers and others by the administrator, other service providers and the Government Actuary's Department.
- 3.2. The NICSPB is responsible for ensuring that effective audit arrangements are in place.
- 3.3. The NICSPB is responsible for ensuring that effective risk management arrangements are in place.
- 3.4. The NICSPB will provide a statement of assurance to the Accounting Officers, members and employers about the effective financial management including contribution collection, financial forecasting, and debt management; that beneficiaries receive the benefits to which they are entitled under the rules and regulations of the schemes and production of annual scheme accounts. This assurance will be given in the NICSPB Annual Report.
- 3.5. The NICSPB will oversee the development of processes and systems to incorporate any statutory requirements.
- 3.6. The NICSPB will ensure compliance with scheme data management requirements identified in the Review of the Public Service Pensions Act (Northern Ireland) 2014 and ensure that adequate Data Sharing Agreements and Participation Agreements are in place.
- 3.7. The NICSPB will adhere to regulatory requirements (e.g. The Pensions Regulator), respond to any requests/directions made by the Pensions Regulator and report breaches of the law to the Pensions Regulator when they have reasonable cause to believe that:
 - a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and
 - failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

4. COMPOSITION:

- 4.1. The NICSPB is established in compliance with the Public Service Pensions Act (Northern Ireland) 2014.
- 4.2. The Scheme Manager is responsible for the appointment of the Independent Chairperson of the NICSPB.
- 4.3. The NICSPB consists of the following:
 - One independent Chairperson person (voting member);

- At least three scheme member representatives (voting members) nominated from member representative bodies;
 - At least three employer representatives (voting members) nominated from employer representative bodies; and
 - Two non-executive members (non-voting members) to bring experience of best practice; independent advice; challenge; pensions' technical expertise; and experience of financial and operational delivery.
- 4.4.** The two non-executive members will include one from the policy area that manages the scheme (Civil Service Pensions) and one with a finance background.
- 4.5.** The Head of Pensions Division will monitor the Pension Board tenures to ensure continuity and experience is sustained.
- 4.6.** Members of the NICSPB will represent the interests of all of the scheme's beneficiaries, the participating employers and the Accounting Officer and not simply the interests of the organisation that nominated them.
- 4.7.** Appendix A gives the terms and conditions that apply to NICSPB members.

5. MEETINGS:

- 5.1.** Frequency: The NICSPB will meet quarterly and at such other times as the Chairperson/member decides is necessary. Wherever possible at least 7 days' notice will be given of any non-scheduled meeting.
- 5.2.** Format: Meetings can be conducted in person, over the telephone or via a tele-conference/video-link, as decided by the Chairperson. If the Chairperson is not present within fifteen minutes of the time appointed for holding the meeting, Board members present may nominate and agree a Chairperson for the meeting. In these cases the nominated Chairperson will not have a casting vote.
- 5.3.** Quorum: Five members of the NICSPB will represent a quorum for meetings. The Board members in attendance must include at least two employer representatives and two member representatives.
- 5.4.** Attendance: The NICSPB can decide to ask other advisers, representatives from third party suppliers and any other person to attend its meetings as it sees fit. The Policy and Operations Managers for Civil Service Pensions will attend Board meetings and introduce papers and discussions, as necessary.
- 5.5.** Decisions: All NICSPB Board members with voting powers will have a single vote and items arising at any meeting will be decided by a majority of members present and eligible to vote. In the case of an equality of votes the Chairperson will have a casting vote. The NICSPB may agree on a decision outside of a meeting if the majority of voting members confirm their agreement either in

writing or by electronic mail. Any such decision will be as valid and effective as if it had been passed by a meeting of the NICSPB.

- 5.6. Papers: The NICSPB Secretariat must circulate all papers at least one week in advance of any meeting (unless a shorter period is agreed by the Chairperson).
- 5.7. Minutes: Draft minutes are to be forwarded to the Chairperson for agreement within ten working days and thereafter circulated to NICSPB members. Minutes to be cleared by Board members at next meeting and any redactions submitted to the Secretariat no later than ten working days following the conclusion of said meeting.
- 5.8. Minutes for publication to be circulated to Board members for final approval prior to publication on the Civil Service Pensions website.

6. COMMITTEES AND SUB-GROUPS:

- 6.1. The NICSPB may establish such committees and sub-groups as it sees fit. The NICSPB will decide whether the sub-groups/committees need to have separate Terms of Reference.
- 6.2. The NICSPB will agree, and can amend, each sub-group/committee's Terms of Reference.
- 6.3. The NICSPB will appoint and remove members of the committees/sub groups. The NICSPB may, as it sees fit co-opt persons who are not members of the NICSPB to serve on its sub-groups/committees. Such persons need not be representatives of members, employers or the Department.
- 6.4. The NICSPB Chairperson will appoint a NICSPB member as the Chairperson of each sub-group.
- 6.5. The quorum for committees and sub-groups will be agreed at the time.

7. AUTHORITIES AND RESTRICTIONS:

- 7.1. The NICSPB will revert to the Scheme Manager to raise an issue with the relevant service providers which it identifies. Also, where necessary, the Board will advise on the budget for that additional work to be undertaken before the issues are resolved. Any NICSPB authority will also be subject to the existing contractual agreements and requirements relating to public sector procurement.
- 7.2. The Department will consult and take into consideration the views of the NICSPB on matters that will materially affect the cost and/or the range and quality of services provided by the administration. The Department will remain responsible for all contractual agreements and any proposed changes, and for the commissioning of any additional work by third parties.

8. MONITORING FINANCE AND SCHEME ACCOUNTING:

- 8.1.** The NICSPB will assist the scheme's Accounting Officer by monitoring the performance of Civil Service Pensions as it applies to the Northern Ireland Civil Service pension arrangements in ensuring that the scheme receives all monies properly and safeguards the regularity and propriety of income and expenditure in relation to the schemes.
- 8.2.** The NICSPB will oversee and monitor the Northern Ireland Civil Service Pension Scheme budget forecasting, estimating and modelling.
- 8.3.** The NICSPB will monitor audit arrangements:
- Expenditure: The NICSPB will monitor the accuracy and completeness of expenditure records.
 - Contributions: The NICSPB will monitor the accuracy and completeness of contributions received.
 - Debt Management: The NICSPB will monitor the efficacy of debt management.

9. EVALUATING AND MANAGING RISK:

- 9.1.** The NICSPB will use sources of information such as audit reports, service contracts, complaints and administration reports to help identify areas of risk which could be detrimental to the scheme and members or impede the NICSPB in carrying out its roles, responsibilities and duties effectively.
- 9.2.** The NICSPB will develop a process to evaluate the risks, in order to identify those that are critical and the evaluation process should include consideration of the impact and likelihood of a risk materialising.
- 9.3.** The NICSPB will record the risks identified in a risk register which will be reviewed and updated at each meeting as appropriate.

10. REPORTING:

- 10.1.** The Chairperson of the NICSPB will report at least annually, for information purposes, on the activities of the NICSPB by means of an Annual Report published on the Civil Service Pensions website.

11. POWERS:

- 11.1.** The NICSPB may exercise discretionary powers delegated by the Scheme Manager in the scheme regulations.

12. MONITORING EMPLOYERS:

- 12.1.** The NICSPB is responsible for overseeing and constructively engaging with employers who participate in the NICS pensions arrangements with regard to the correct provision of data, for active members (and where required,

pensioner or deferred members), and contributions to the NICS Pensions Schemes.

13. CHANGES TO NICSPB TERMS OF REFERENCE:

13.1. The NICSPB may recommend to the Scheme Manager any changes to these Terms of Reference and accompanying appendix.

13.2. The NICSPB will review these Terms of Reference no later than every three years commencing 2019.

14. OTHER

14.1. The NICSPB may consider any other items specifically referred to it and to take decisions specifically delegated to it by the Scheme Manager from time to time.

15. REMUNERATION AND EXPENSES

15.1. Members of the NICSPB nominated by NICS employers who are currently employed by an organisation covered by the Northern Ireland Civil Service Pension arrangements would normally be expected to claim any expenses from their employer.

15.2. Similarly, members of the NICSPB nominated by TUS would normally be expected to claim any expenses from their nominating union.

15.3. The independent Chairperson, appointed by the Scheme Manager, will be paid expenses and may be paid fees, depending on the circumstances and what was agreed on appointment.

16. SECRETARIAL SUPPORT

16.1. Civil Service Pensions within the Department of Finance will provide secretariat support for the group. Duties of the Secretariat include:

- arranging and managing the meetings of the NICSPB;
- preparing or commissioning papers for the NICSPB to consider;
- collating administration performance statistics; and
- drafting papers/reports on behalf of the NICSPB.

16.2. Prior to actuarial valuation of the Northern Ireland Civil Service Pension Schemes, the NICSPB will meet with the Scheme Actuary to consider the approach to be taken in setting assumptions.

TERMS AND CONDITIONS OF NICSPB MEMBERSHIP

1. With the exception of the non-executive representatives and the Northern Ireland Civil Service Pensions representative, appointments to the NICSPB are personal. There can be no alternate representation for any member of the NICSPB.
2. Each member will endeavour to attend all scheduled NICSPB meetings and details of attendance at meetings will be published in the Annual Report. Where ad hoc meetings are called, all NICSPB members should make best efforts to attend.

Appointment and Removal

3. Chairperson: The Chairperson will be appointed by the Scheme Manager.
4. Member representatives: Member representative bodies will be invited to nominate at least three candidates in writing to be put forward into the selection process for members of the NICSPB, with the Scheme Manager approving final appointments.
5. Employer representatives: Employer bodies will be invited to nominate at least three candidates in writing to be put forward into the selection process for members of the NICSPB, with Scheme Manager approving final appointments.
6. Non-Executive members: The Scheme Manager will invite and consider nominations, based on the candidates' roles within public sector pensions and finance.
7. Members resigning from the NICSPB should where possible provide a minimum of six months' notice in writing to the Chairperson.
8. Where a member resigns from the NICSPB it will be the member's representative body or employer bodies responsibility to nominate a suitable successor (agreed by both the Board Chairperson and scheme manager) to be in place within 6 months of the member's planned departure. The proposed successor will shadow the current member and will not hold any voting rights until they fully assume the role of Board member.
9. The NICSPB will agree an appointment schedule for Board members which is to be considered when Board members stand down to ensure continuity of membership expertise. The Head of Pensions Division will also provide an oversight to ensure continuity.
10. The Chairperson of the NICSPB will ask the Department to consider the removal of any member of the Board, if all the other voting members

unanimously agree to this course of action. Examples include repeated non-attendance at meetings without a valid explanation or actions leading to the reputational damage of the Board.

11. The Chairperson will undertake performance management of each Board member annually, and can recommend to the Department the removal of a Board member or the non-renewal of their appointment.
12. The Scheme Manager will undertake performance management of the Chairperson annually and can recommend to the Department and Board members the removal of the Chairperson or the non-renewal of their appointment.

Terms of Office

13. The appointment of the Chairperson will be for a three-year term with Scheme Manager's discretion to extend for a further two years.
14. The appointment of Board members (excluding the non-executive representatives) will be for a five-year term, and such members will normally not hold office for more than two terms unless expressly agreed by the scheme manager.
15. The tenure of the non-executive representative appointments will coincide with the time the individual holds the relevant post.

Induction and Training

16. NICSPB members will receive induction training to gain an up-to-date and working knowledge of the Northern Ireland Civil Service Pension arrangements.
17. Board Members must keep their knowledge up to date and maintain a written record of their relevant training and development during their appointment.
18. Board Members will be conversant with scheme documents and have appropriate knowledge and understanding of the scheme rules and regulations and the principles of Northern Ireland Civil Service Pension Schemes' funding as well as The Pensions Regulator's requirements and Codes of Practices.

Northern Ireland Civil Service Pension Board – Terms of Reference:

Approved by:

Signed:

Date:

Sean McKeever (Chairperson)

_____ / ____ / ____

Jayne Forster (Employer Representative)

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Michael Cowan (Employer Representative)

_____ / ____ / ____

John Crosby (Employer Representative)

_____ / ____ / ____

Bumper Graham (Employee Representative)

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John McCloskey (Employee Representative)

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Philip Cummings (Employee Representative)

_____ / ____ / ____

Gary Fair (Finance Representative)

_____ / ____ / ____

Margaret Coyle (Pensions Policy
Representative)

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