



HAYWARD SESTINI

PENSIONS

Roles and Responsibilities of Managing Trustees

Introduction

At Hayward Sestini Pensions Limited, we want you to feel assured that we take the safeguarding and administration of your pension scheme as seriously as you do.

In order to ensure that anyone thinking of establishing a Small Self-Administered Pension Scheme (SSAS), or is already a trustee of an existing SSAS, has the information they need to feel confident in being a trustee, we have provided information below.

This document is therefore drafted to highlight to all existing, new and potential members of a SSAS administered by Hayward Sestini Pensions Limited their responsibilities and the role they hold.

This document does not replace any other information, such as our Terms and Conditions of Business or the rules applicable to your pension scheme.

If you have any queries regarding how a SSAS operates, or how it differs to a 'traditional' pension arrangement, then please feel free to get in touch. Alternatively, the following websites can provide further reading and guidance:

The Pensions Regulator: <http://www.thepensionsregulator.gov.uk/trustees/role-trustee.aspx>

HMRC: <https://www.gov.uk/guidance/pension-trustees-appointment-and-role>

Disclosure of information

Occupational pension schemes exist for the benefit of their members. In principle, all members of a scheme ought to be given all information necessary to enable them to feel an involvement in how the scheme operates and to understand how this affects them personally.

In practice, a SSAS is a pension scheme established under trust. All those holding benefits in a SSAS are considered members, and all members must be trustees.

On this basis, Hayward Sestini Pensions Limited can assure all those wishing to participate in a SSAS that the provision on any information pertaining to their pension scheme will be duly provided.

This includes:

- General information about the scheme - including the benefits it offers, the methods of financing them, and the scheme's structure.
- The ongoing financial position of the pension scheme, including its assets, liabilities, and annual returns made to HMRC.
- Information pertaining to each member trustee's share of the fund. Each of the assets within a SSAS is held on a pooled basis with all other members. There can be no earmarking, or separating of assets. All members share in any investment gain or loss. As such, each member should note that all members are entitled to information relating to each others' fund share.
- This does not mean however, that the share of funds is equal – a SSAS member's fund is comprised of the sum of any transfer in, or contribution over the course of membership, plus or minus fund growth or loss. On this basis, if one member contributes more than another, or there is a larger transfer in from another pension provider, then they will be deemed to have a higher proportionate value of the fund.
- Any existing members have the same rights and responsibilities as new members.

Duties and powers

Your key duties as a trustee are to:

Act in line with the trust deed and rules

The trust deed and rules, together with pensions legislation, tell you what your powers are as a trustee, and the procedures you must follow. They are important documents and, therefore, you must be familiar with them and with the other documents governing your scheme.

Act prudently, responsibly and honestly

You must act in a way that an ordinary prudent person of business would act in managing their own affairs. This means, for example, that when deciding whether to exercise a power, you must consider the circumstances impartially, having taken account of all the relevant facts, and you must ask for professional advice if necessary.

Naturally, you must not make any unauthorised personal profit at the expense of the fund. This doesn't mean that, as a trustee, you can't be a member of the scheme (indeed, the opposite is true with a SSAS – all members MUST be trustees), but, as a trustee, you mustn't profit from the scheme in other ways.

Act in the best interests of your beneficiaries

You must act in the best interests of the scheme's beneficiaries. A beneficiary is anyone who is entitled to, or who might receive, a benefit from the scheme, now or in the future.

Act impartially

You must consider the interests of all the classes of beneficiary covered by the trust deed and rules, and act impartially between them. You have to act fairly between individual beneficiaries too, weighing the interests of the particular individual against the need to protect the security of the beneficiaries as a whole.

Acting impartially does not mean that each type of member needs to be treated in the same way. But it does mean that the trustee will need to weigh the differing interests of different members against each other.

Consider what powers you may have

The trust deed and rules give you powers, some of which will be discretionary. Trustees' powers differ from scheme to scheme, but usually the trust deed includes the power to:

- Accept contributions into the scheme
- Unanimously decide the investment strategy
- Invest the scheme's assets
- Amend the rules of the scheme
- Admit members to the scheme
- Provide benefits upon retirement and death to the scheme members and beneficiaries
- Wind up a scheme

In some cases the trust deed or rules may state that the employer has to agree to your use of a particular power, or that you may only use the power if the employer asks you to do so.

You may also have some discretionary powers, like deciding who will receive a dependant's pension. You must follow the procedures set out in the trust deed and rules when considering whether to use a discretionary power.

You can't usually delegate your powers including your discretionary powers, unless the trust deed and rules allow you to do so. An exception to this is the power to delegate investment decisions.

Where the trust deed and rules allow you to delegate a power and you do so, you remain accountable for the actions taken. However, where you have delegated responsibility for investment decisions, your liabilities are generally more restricted. This is as long as you can show that you and the other trustees took appropriate steps to satisfy yourselves of the matters set out above.

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