

PENSIONS ACT 2008

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 1: The trustee corporation

182. *Schedule 1* sets out rules concerning the governance of the trustee corporation established by section 75.
183. *Part 1* details the rules relating to the appointment, conduct, remuneration and staffing of the corporation.
184. The chair and members of the corporation will initially be selected by the Secretary of State. Later appointments will be made by the corporation. The Secretary of State must consult the chair, if there is one, before making other appointments. The aim must be for the trustee corporation to have no fewer than nine and no more than fifteen members. The scheme Order (see section 67) may provide for the corporation to be subject to existing rules for member nominated directors, suitably modified to make them work in this context.
185. The Secretary of State and the corporation should satisfy themselves on appointment, and on an ongoing basis, that no member of the corporation has a conflict of interest – as defined in *paragraph 2(5)* and (6).
186. *Paragraphs 3, 4* and *5* set out the reasons why a member will be disqualified or may be removed from the corporation. A person will be disqualified from being or continuing as a member if they are already prohibited or suspended from being a trustee under existing legislation – unless, in specific circumstances, the Pensions Regulator waives the existing suspension or disqualification.
187. A member cannot be appointed for a period of more than five years and, although they may be reappointed at the end of this period, cannot be reappointed more than once. Therefore, the maximum period anyone will be able to serve as a member will be ten years. This is within the maximum period for a public appointment as set out in the Office of the Commissioner for Public Appointments (OCPA) guidance. Members may resign by giving written notice to the Chair and the Chair by giving such notice to the Secretary of State.
188. The corporation may pay remuneration and allowances and gratuities to members and, where there are special circumstances as determined by the Secretary of State, compensation to a person who ceases to hold office as a member or chair.
189. *Paragraph 8* allows the corporation to employ staff and to determine terms and conditions, including remuneration, of their employment. It must also pay pensions and allowances, as well as provide such pension schemes, as it determines.
190. *Part 2* of the Schedule concerns the day-to-day proceedings of the trustee corporation, including that of any committees.

*These notes refer to the Pensions Act 2008 (c.30)
which received Royal Assent on 26 November 2008*

191. The corporation may establish committees to discharge its functions or to provide advice in order to do so. Committees may include people who are not members or employees of the corporation (though they must not form the entire committee) and such people may be paid remuneration and expenses. This ensures that the corporation can obtain specific skills or expertise but will always have member interest in the committee. Such committees may establish sub-committees whose members must be members of the committee which established it.
192. The corporation is normally allowed to regulate its own procedure and that of its committees and sub-committees and to allow committees and sub-committees to regulate their own procedure. Procedures must be published.
193. *Paragraph 13* sets out procedure for declaring an interest in any matter to be discussed at a meeting of the corporation or its committees. Such declarations must be recorded in the minutes. Interests can be disregarded if certain specified conditions are met.
194. The corporation can delegate any of its functions to members, employees or other members of staff and committees, unless anything in the Order or Rules does not allow that function to be delegated.
195. The validity of proceedings of the corporation will be protected where there is a vacancy among members or defect in an appointment.
196. *Paragraph 16* specifies that application of the corporation's seal must be authenticated by the signature of a member, or someone authorised by the corporation to do so. The seal is used in the case of some documents to signify that the corporation has formally agreed to them (e.g., certain documents in relation to property transactions).
197. *Paragraph 17* requires the corporation to prepare an annual report which includes a report of the corporation's proceedings during the year and anything relating to the financial position or other matter that the Secretary of State requires. Such reports must be sent to the Secretary of State as soon as possible following the end of the financial year and must be laid before Parliament.
198. *Part 3* sets out the corporation's procedures relating to the receipt of money and accounting.
199. It also allows the Secretary of State to provide financial assistance to the trustee corporation, for example, through a grant or loan with the consent of HM Treasury. The interest rate associated with any loan must be approved by the Treasury and meet the conditions that would apply under section 5 of the National Loans Act 1968 (and so, as a minimum, cover the cost of Government borrowing). It also allows the corporation to charge for its services.
200. As a non-departmental public body (NDPB) the corporation, like all other NDPBs, must keep proper accounts and prepare an annual statement for each financial year which must be audited by the Comptroller and Auditor General (the head of the National Audit Office) and the statement and Auditor's report must be laid before Parliament by the Secretary of State.
201. *Part 4* amends current legislation on disqualification, records and freedom of information and equality to ensure that the corporation conforms to these provisions. For example, a member may not be a member of the House of Commons or the Northern Ireland Assembly. It also lists the meanings of a number of terms used in this Schedule.