

## METROPOLITAN POLICE PENSION BOARD – TERMS OF REFERENCE

### Introduction

1. This document sets out the terms of reference of the Police Pension Board (hereafter referred to as 'the Board') of the Metropolitan Police Force (hereafter referred to as "the Force"). This Board is as required under Section 4 of the Public Service Pensions Act 2013 and is established in accordance with Section 5 of that Act and under regulation 13 of the Police Pension Scheme Regulations 2015 (as amended).
2. The Board is established by the Force and operates in an advisory capacity to the Scheme Manager. Relevant information about its creation and operation are contained in these Terms of Reference

### Interpretation

3. The following terms have the meanings as outlined below:

|                                     |  |
|-------------------------------------|--|
| <b>'the Act'</b>                    | The Public Service Pensions Act 2013.  |
| <b>'Board Member'</b>               | A member of the Pension Board (this includes a reference to an Employer Representative, Member Representative and an Independent Member)   |
| <b>'Chair'</b>                      | The appointed Chairperson of the Pension Board. This will be an independent representative   |
| <b>'the Code'</b>                   | means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes.  |
| <b>'Deputy Chair'</b>               | The appointed deputy Chairperson of the Pension Board if the appointed Chair is not an independent   |
| <b>'Employer Representative'</b>    | A person appointed to the Board for the purpose of representing the Metropolitan Police Force  |
| <b>'the Force'</b>                  | The Metropolitan Police Force  |
| <b>'Independent Representative'</b> | A person appointed to the Board who represents neither the employer nor the members. This person will act as Chair of the Board  |
| <b>'Member Representative'</b>      | A person appointed to the Board for the purpose of representing members of the Fund  |
| <b>'the Regulations'</b>            | means the Police Pension Scheme Regulations 2015 (as amended from time to time), including any earlier regulations as defined in these regulations to the extent they remain applicable. |

|                               |   |
|-------------------------------|---|
| <b>'Relevant legislation'</b> | means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Scheme Manager and the Board, notwithstanding that the Codes of Practice are not legislation. |
| <b>'the Scheme'</b>           | means the Police Pension Scheme in England and Wales.   |
| <b>'Scheme Manager'</b>       | The Commissioner of Police of the Metropolis  |

## **Purpose of the Board**

4. The Pension Board's role is to assist the Scheme Manager in securing compliance with:
  - the scheme regulations;
  - other legislation relating to the governance and administration of the schemes; and
  - the requirements imposed by the Pensions Regulator. The Pension Board will also ensure the effective and efficient governance and administration of the schemes.
5. The schemes are:
  - The Police Pension Scheme 1987
  - The Police Pension Scheme 2006
  - The Police Pension Scheme 2015

## **Establishment**

6. The Board is established on 01/04/2015 subsequent to approval by the Scheme Manager of the recommendation to establish. Subsequent to its establishment, the Board may establish sub-committees

## **Composition of the Pension Board**

### ***Membership***

7. Members of the Pension Board shall be nine in number, including the Independent Chair, who are all entitled to vote in its proceedings. The board will comprise of an equal number of employer and member representatives.

### ***Appointment and removal of the Chair and Deputy Chair***

8. The Scheme Manager shall approve the appointment of the Chair and, if the Chair is not an independent person, the Deputy Chair of the Pension Board;
  - the office of Chair must be either an independent person or filled alternatively by an Employer Representative and a Member Representative; and
  - where the Chair is an Employer Representative, the Deputy Chair must be a Member Representative, and vice versa.
9. Unless the Chair is independent, the Chair of the Pension Board will be rotated between the appointed Chair and Deputy Chair on an annual basis, alternating between employer and member representatives.
10. The Independent Chair shall appoint eight members.

11. Employer representatives will be from the Force and have the capacity to represent the Force as an employer.
12. Member representatives will be either serving or retired officers from the Force, or able to represent such members, but not a deferred member.

### ***Term of Office***

13. Term of office shall be for **[three years]**. Members can be re-appointed to the Pension Board unlimited times so long as they remain a member as defined in 5.2 and none of the issues outlined in 5.4 apply.

### ***Termination***

14. A representative shall cease to be a member of the Pension Board if:
  - their term of office ends and they are not reappointed;
  - there is a conflict of interest that cannot be managed in accordance with the Board's conflict policy;
  - a member dies or becomes incapable of acting;
  - a member is appointed to the role of an officer of the Force with responsibility for the discharge of functions under the Regulations;
  - a member wishes to resign;
  - a member representative appointed on the basis of their membership of the scheme is no longer a scheme member in the Fund<sup>1</sup>.
  - an employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
  - a Board member no longer being able to demonstrate to the administering authority their capacity to attend and prepare for meetings or to participate in required training.

### ***Quorum***

15. A meeting is only quorate when the 2 member and 2 employer representatives are present.
16. A meeting that becomes inquorate may continue but any decisions will be non-binding.

### **Duties of the Pension Board**

17. The following matters will be undertaken by the Pension Board:

### ***Compliance***

18. Secure compliance with:
  - the scheme regulations
  - other associated or overriding legislation
  - the requirements of the Pensions Regulatorin matters relating to the governance and administration of the scheme

---

<sup>1</sup> This includes active and pensioner members.

19. Specifically the board will ensure that the following matters are taken into consideration when verifying compliance.

***Administration***

20. Monitor and review performance of the administrators. To include, for example, communications and Internal Dispute Resolution Procedure (IDRP) cases.

***Internal controls and risk register***

21. Devise, monitor and review an appropriate risk register for the scheme.

***Budgets***

22. The Board will agree a yearly budget for the operation of the Pension Board and review and monitor the budget on a regular basis.
23. The budget will be agreed in advance and will require the approval of the Scheme Manager.

**Meetings and updates**

***Frequency***

24. The Pension Board will normally meet **[four]** times a year.
25. The chair of the Board, with the consent of the Board membership, may call additional meetings.

***Procedures at meeting***

26. The Chair shall preside as Chair of the meeting, but if the Chair is not present within fifteen minutes after the time appointed for holding the meeting the board members shall elect one of their number to be Chair.

***Other attendees***

27. The Pension Board will extend an invitation to attend to such other persons or advisers as it may from time to time consider appropriate.

***Voting***

28. Every Board representative shall have one vote. No person other than a Board Member duly registered shall be entitled to vote on any question, either personally or by proxy or as proxy for another member at any general meeting. For clarity, a Board member may vote by proxy, or as proxy for another Board member, if this has been agreed with the Chair in advance of a meeting.
29. Decisions made by the Pension Board shall be on a majority basis.
30. The Chair will have a second or casting vote in the case of equality of votes.
31. The results of any voting outcomes will be reported in the Board minutes via reference to the number split of the vote.

***Reporting***

32. The Pension Board will inform the Scheme Manager of all its decisions and actions by submitting its minutes to the Scheme Manager and reporting on a regular basis in a common format to be agreed with the Scheme Manager.

33. The Pension Board will also report to the Mayor’s Office for Policing and Crime on any actions or issues that affect their role as pension supervising officer for the Scheme Managers’ pension arrangements.

### **Conflicts of interest**

34. At the outset, the Pension Board shall formulate a Conflicts of Interest Policy and a Conflicts of Interest Register.
35. Each member of the Pension Board shall adhere to the Conflicts of Interest policy agreed, and held, by the Pension Board.
36. All members of the Board must declare to the Scheme Manager on appointment and at the start of each meeting thereafter, any potential conflict of interest arising as a result of their position on the Board

### **Expenses**

36. Pension Board Members may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Pension Board or otherwise in connection with the discharge of their duties to the Pension Board.

### **Knowledge and understanding**

37. In accordance with section 248A of the Pensions Act 2004, every individual who is a member of a Local Pension Board must also be conversant with:
- the rules of the Police scheme; in other words the Regulations and other legislation governing the scheme; and
  - any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme;
- and have knowledge and understanding of:
- the law relating to pensions; and
  - such other matters as may be prescribed.
38. Knowledge and understanding must be considered in light of the role of the Board to assist the Scheme Manager in line with the requirements outlined in paragraph 6 above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.
39. Each member of the Pension Board shall adhere to the Knowledge and Understanding Policy agreed, and held, by the Pension Board.

### **Data protection**

40. The Pension Board is considered an advisory body of and part of the Force’s legal entity. The Scheme Manager is and remains the data controller responsible for DPA compliance, including for processing carried out by the Pension Board, where

## Metropolitan Police Board –Terms of Reference

processing is carried out as a data controller, or where personal data use by the Pension Board is not carried out for and on behalf of any other separate legal entity.

41. The Pension Board will therefore adhere to the data protection policies held by the Scheme Manager.