**TEACHERS’ PENSION SCHEME PENSION BOARD**

**TERMS OF REFERENCE (from April 2023)**

1. **Scope of the Teachers’ Pension Scheme Pension Board (TPSPB)**
   1. The TPSPB has a statutory responsibility for assisting the scheme manager in relation to securing compliance with –
      1. The Teachers’ Pension Scheme Regulations 2014;
      2. any other legislation relating to the governance and administration of the Teachers’ Pension Scheme and any connected scheme; and
      3. requirements imposed by the Pensions Regulator in relation to the Teachers’ Pension Scheme and any connected scheme.
   2. The TPSPB will provide assurance on the effectiveness of the arrangements for managing the scheme to the Scheme Manager, ensure that it remains at the forefront of public service pension scheme administration and meets the changing needs of members and employers.

To achieve this, the TPSPB will:

* + 1. in their role as a strategic Board, contribute towards setting the strategic direction of the administration, as delivered by its service providers and Department for Education (DfE) officials;
    2. be forward thinking and able to clearly articulate the vision for the administration of the Teachers’ Pension Scheme (TPS);
    3. assess the effectiveness and efficiency of the scheme administration;
    4. consider opportunities to enhance the range and quality of services offered by the scheme; and
    5. assess the arrangements for ensuring scheme performance, continuous improvement, value for money, risk management and compliance with statutory requirements.
  1. The TPSPB may also carry out additional duties as the scheme manager sees fit, from time to time.

**Connected and Unconnected schemes**

* 1. A connected scheme, for the purposes of the Board’s responsibilities, is another statutory pension scheme that is connected, within the meaning of section 4(6) of the Public Service Pensions Act 2013, with this scheme.
  2. A connected scheme will therefore include the schemes provided for under the Teachers’ Pension Scheme Regulations 2010.
  3. Although catering for the people of the same description as provided for in the Teachers’ Pension Scheme Regulations 2014, the scheme established to provide additional voluntary contributions, and currently provided by the Prudential assurance company, is not a connected scheme. This has been set out in the regulations and therefore falls outside the responsibilities for this Board.

# Roles and Responsibilities

* 1. The principal role of the Board is to monitor the operational delivery of the scheme, including assessing the effectiveness of relevant control mechanisms.
  2. The Board will provide close scrutiny of the level and quality of services provided for the membership by the administrator and other relevant service providers directly involved in the operational delivery of the scheme.
  3. The TPSPB will review audit plans and audit reports and report on effectiveness.
  4. The TPSPB will provide assurance that an effective risk management strategy is in place for the administrative delivery of the scheme and internal controls are adequate.
  5. The TPSPB will provide views on scheme strategy where this will aid the scheme administration; and will monitor achievement against the six strategic objectives, as agreed by the Board, the Department and the administrator.
  6. The TPSPB will add to the process whereby assurance is provided to the Accounting Officer (Permanent Secretary), members and employers regarding the effective financial management of the TPS, through reviewing the TPS Governance Statement, which is produced as part of the annual accounting process. The TPSPB’s responsibilities for providing assurances on financial issues focus on the processes for contributions collection, pension calculations and pension payments. The Board is not responsible for the preparation and review of accounts, with the exception of its role regarding the TPS governance statement.
  7. The TPSPB will review that benchmarking in the TPS is in line with regulatory requirements (e.g. The Pensions Regulator (tPR)).
  8. The TPSPB will provide assurance that the development of processes and systems incorporate any new statutory requirements.
  9. The TPSPB will verify that the arrangements for the maintenance and management of data are effective.
  10. The TPSPB will respond to any requests/directions made of it by the Pensions Regulator.
  11. The TPSPB will provide assurance that the approach developed by the administrator for reporting breaches of the law to the regulator, when they have reasonable cause to believe that:
      1. A legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and
      2. The failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions;

is compliant with the regulator’s requirements.

# Composition

* 1. The TPSPB will comprise scheme member representatives, employer representatives, an independent chair, an independent pension specialist and a DfE senior official. The chair and pension specialist will be independent of those at 3.3 & 3.4.
  2. All non-DfE appointments to the Board will be made by the scheme manager.
  3. The Board will have up to five scheme member and five scheme employer positions, selected by an interview panel following open advertisement.
  4. The TPSPB will have one DfE member. The DfE member will be either Deputy Director or Director level from the contract management area that manages the scheme (Teachers and Tutors Directorate). The DfE member will have full member rights with the exception that DfE members will not vote. DfE members will be referred to as “Participators” in official minutes and other documentation.
  5. Members of the TPSPB will represent the interests of all of the schemes’ beneficiaries, scheme employers and the Accounting Officer and not simply the interests of the constituency that nominated them.
  6. Appendix A gives the Terms and Conditions that apply to TPSPB members.

# Meetings

* 1. Frequency: The TPSPB will meet quarterly and at such other times as the Chair decides is necessary. Wherever possible at least seven days’ notice will be given of any non-scheduled meeting. All TPSPB meetings will be recorded for the purposes of assisting the secretariat team in drafting the minutes. Once the minutes are cleared by the chair the recording will be deleted.
  2. Format: Meetings can be conducted in person or via Teams, as decided by the Chair. If the Chair is not present within fifteen minutes of the time appointed for holding the meeting, the Deputy Chair, the Pensions Specialist Board member, will chair the meeting.
  3. Quorum: Six members of the TPSPB will represent a quorum for meetings. The Board members must include at least two employer representatives and two member representatives. However, in the event of an extraordinary or emergency meeting, the Chair may invite fewer members, but will ensure that employers and members are represented.
  4. Attendance: The TPSPB can decide to ask its professional advisers, representatives from third party suppliers, including the scheme administrator, and any other person to attend its meetings as it sees fit. The Board can invite non-members for specific purposes.
  5. Matters Arising – In the event that an issue arises for which a vote is required, all Board members will have a single vote. In the case of an equality of votes the Chair will have a casting vote. The TPSPB may agree on an issue outside of a meeting if the majority of voting members confirm their agreement either in writing or by electronic mail. Any such vote will be as valid and effective as if it had been passed by a meeting of the TPSPB.
  6. Papers: The Board Secretariat should circulate all papers at least one week in advance of any meeting (unless a shorter period is agreed by the Chair).
  7. Where the DfE becomes aware of a serious service issue, the Secretariat will discuss with the Chair and agree how the information will be shared with the rest of the Board.
  8. Minutes: Draft minutes are to be forwarded to the Chair for agreement within ten working days and thereafter circulated to TPSPB members. Minutes will be agreed at the subsequent Board meeting.

# Sub-Committees

* 1. The TPSPB may establish such sub-committees as it sees fit.
  2. The TPSPB will agree, and can amend, each sub-committee’s Terms of Reference.
  3. The TPSPB will appoint and remove members of the sub-committees.
  4. Following prior agreement with the Scheme Manager, the TPSPB may co-opt persons who are not voting members of the TPSPB to serve on its sub-committees. Such persons need not be representatives of members, employers or the DfE**.**
  5. The Chair of the TPSPB may determine who is to act as chair and vice- chair of each sub-committee but can also delegate that decision to each sub-committee. However, where there is no consensus amongst the members of the sub-committee the TPSPB Chair will decide.
  6. All member and employer representatives on the TPSPB will be expected to sit on and actively participate in at least one sub-committee; this will contribute towards the expected 10-20 days’ commitment agreed upon appointment.
  7. Where sub-committees are established, they will provide update reports (written or verbal) to the TPSPB quarterly meetings.

# Authorities and Restrictions

* 1. The TPSPB may consider and propose to the scheme manager amendments to the commercial agreements in place with the various service providers.
  2. If required and appropriate, the TPSPB may be given authority by the scheme manager to work directly with the relevant service providers to address and resolve issues which it identifies. This authority will also be subject to the existing contractual agreements and requirements relating to public sector procurement.
  3. The DfE will remain responsible for all contractual agreements and any proposed changes, and for the commissioning of any additional work by third parties. The DfE will consult and take into consideration the views of the TPSPB on matters that will materially affect the cost and /or the range and quality of services provided by the administration.

# Reporting

* 1. The Chair of the TPSPB will report annually to the Scheme Manager on the Board’s level of assurance about the activities and achievements of the TPSPB against the statutory requirements.

# Appendix A

**TERMS AND CONDITIONS**

1. With the exception of the DfE representatives, appointments to the TPSPB are personal. There can be no alternate representation for any member of the TPSPB. Posts are not remunerated other than expenses with the exception of the Chair and Pension Specialist.
2. Each member is required to attend all scheduled TPSPBs and their allocated scheduled sub-committee meetings and details of attendance at meetings will be published in the Annual Review and on the website. Where ad-hoc meetings are called, all TPSPB members who are invited to attend should make best efforts to attend.
3. Employer and member representatives are expected to commit 10-20 days per year to TPSPB activities. This to include membership of, and active participation in, at least one sub-committee and attendance at learning and development events.
4. TPSPB members must agree that information provided or gleaned in the course of their duties as a member of the Board (which will include confidential/personal information) will not be used for purposes outside of the delivery of the Board's function.

# Appointment and Removal

1. Chair: The Chair will be appointed by the scheme manager and will be independent of employer and member groups.
2. Member representatives and Employer representatives will be appointed as described in the TPSPB main terms of reference.
3. Pension specialist: The pension specialist will be appointed by the scheme manager, following an open / targeted recruitment process, and will be independent of both member and employer groups.
4. DfE Participators: These will be appointed by the Department’s Permanent Secretary, or other delegated DfE official, based on roles as Directors or Deputy Directors in the relevant contract management area.
5. Members may resign from the TPSPB by giving a minimum of three months’ notice in writing to the Chair.
6. The Chair will undertake performance management of each Board member annually and can recommend to the scheme manager the removal of a Board member or the non-renewal of their appointment.

# Terms of Office

1. The appointment of non-DfE Board members will be for a one to three- year term. Board members will not hold office for more than two terms.
2. The tenure of the DfE representative appointments will coincide with the time the individual holds the relevant DfE post or such other tenure as determined by the Permanent Secretary.

# Induction and Training

1. TPSPB members will complete induction activities to gain an up-to- date and working knowledge of the TPS pension arrangements.
2. Members will be conversant with scheme documents and have appropriate knowledge and understanding of the scheme rules and the principles of TPS funding. The members must keep their knowledge up to date and maintain a written record of their relevant training and development.