

ISLE OF WIGHT PENSION FUND COMMITTEE

1 Terms of Reference

1.1 To carry out the council's statutory functions as administering authority of the Isle of Wight Pension Fund under the Local Government Pension Scheme (LGPS) Regulations and associated legislation under sections 7, 12 and 24 of the Superannuation Act 1972. This includes dealing with all matters arising that relate to the Isle of Wight Pension Fund, including the management and investment of the fund.

1.1.1 Specifically this will include, but is not restricted to:

- Maintaining appropriate accounting records:
 - collecting and accounting for employer/employee contributions and transfer values
 - paying and accounting for pension benefits and transfer values
 - investing monies not required for payment benefits, transfers and administration costs
 - monitoring budgets for the fund ensuring there is adequate budgetary control
- Maintaining member records:
 - setting up, administering and managing individual member records
 - regularly evaluating the completeness and accuracy of these records
- Managing the fund valuation process
 - reviewing and taking action on actuarial valuations
 - ensuring cash is available to meet the fund's future liabilities
- Managing the investment strategy of the fund
 - agreeing asset allocation strategies following asset liability modelling and a policy for investment in different assets with the investment managers
 - agreeing a rebalancing strategy between different portfolios when asset allocations change due to different market movements of different sectors
 - regularly reviewing investment managers' performance and expertise against agreed benchmarks and determining any action required
 - ensuring that the fund investments are sufficiently diversified and that the fund is investing in suitable investments
 - ensuring all investment activity complies with the requirements of current regulations and best practise
- Preparing and maintaining the statutory statements, including:
 - investment strategy statement
 - funding strategy statement
 - communications strategy
 - governance policy

- Managing communications with employers, members and pensioners:
 - ensuring communications are accurate, clear and accessible
 - ensuring employers understand the information they are required to provide
 - providing annual benefit statements within the statutory timetable
 - providing assistance to employers on the pension implications of outsourcing services and on dealing with bulk transfers of pension rights.
- Monitoring and managing all aspects of the fund's performance:
 - appointing and regularly monitoring the performance of investment managers, a fund actuary, custodian and professional advisors
 - appointing an additional voluntary contribution provider

1.1.2 The above list may be changed at any time should the underlying Regulations be amended.

1.2 To ensure the proper governance and administration of the fund in accordance with the Pensions Regulator's *Code of Practice on Governance and Administration of Public Service Pension Schemes*.

1.2.1 In addition to the functions listed in paragraph 1.1.1 above, this will include:

- Providing the Pensions Regulator with an annual return of the fund's "registerable information" and keeping that information up to date
- Establishing and operating adequate internal controls to allow risks to be identified, evaluated and managed
- Publishing up to date information about the pensions board
- Ensuring that pension board members do not have a conflict of interest
- Operating arrangements which comply with legal requirements resolving internal disputes with members and others
- Establishing adequate procedures that enable breaches to be considered and reported

1.3 To exercise all discretionary functions as scheme manager for the firefighters' pension schemes.

1.4 To undertake the training necessary to acquire and maintain the appropriate level of expertise, knowledge and skills as set out in the *CIPFA Pensions Finance Knowledge and Skills Framework*, including but not limited to:

- pensions legislative and governance framework
- pensions accounting and auditing standards
- financial services procurement and relationship management#
- investment performance and risk management
- financial markets and product knowledge
- actuarial methods, standards and practices

- 1.5 To develop, in conjunction with the Isle of Wight Pension Board, a work programme for both pension fund committee and pension board, to ensure the appropriate standards of governance and administration of the scheme are maintained.

2 **Membership**

Seven elected members, appointed on a political proportionality basis.
One non-voting employee representative nominated by UNISON.
One non-voting representative nominated by external employers of the fund.

2.1 In Attendance

Chief executive (or his nominated representative)
Leader of the council can attend as necessary
One representative from investment consultants
One administrative support
One representative from actuaries (as required e.g. to consider annual report and after triennial fund valuations)
Representatives from pension fund investment managers (as required)
Chairman of LGPS Pension Board, or nominated representative, as observer unless invited to speak by the chairman of the committee
Chairman of Fire Pension Board, or nominated representative, as observer unless invited to speak by the chairman of the committee

3 **Proceedings**

- 3.1 The procedure rules for the regulation of proceedings shall apply to meetings of the Isle of Wight Pension Fund Committee.

4 **Quorum**

- 4.1 The quorum for the Committee is three elected members.

5 **Meeting Frequency and Length**

- 5.1 The committee will meet quarterly, but additional meetings will be arranged with the approval of the chairman of the committee, if required.

6 **Access to information**

- 6.1 All meetings of the committee shall be held in public unless there are grounds for excluding the press and public, as set out in the access to information procedure rules or in accordance with legislation.

7 **Agenda**

- 7.1 The agenda for the committee will be determined by the Proper Officer in consultation with the chair of the committee.

8 **Voting**

8.1 Any vote shall be by show of hands. A simple majority prevails and in the event of a tied vote the chairman has a casting vote.

9 **Officer contact**

9.1 Democratic Services – 01983 821000 email: Democratic.Services@iow.gov.uk

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