Association of Member Nominated Trustees

Member survey results 2020

www.amnt.org

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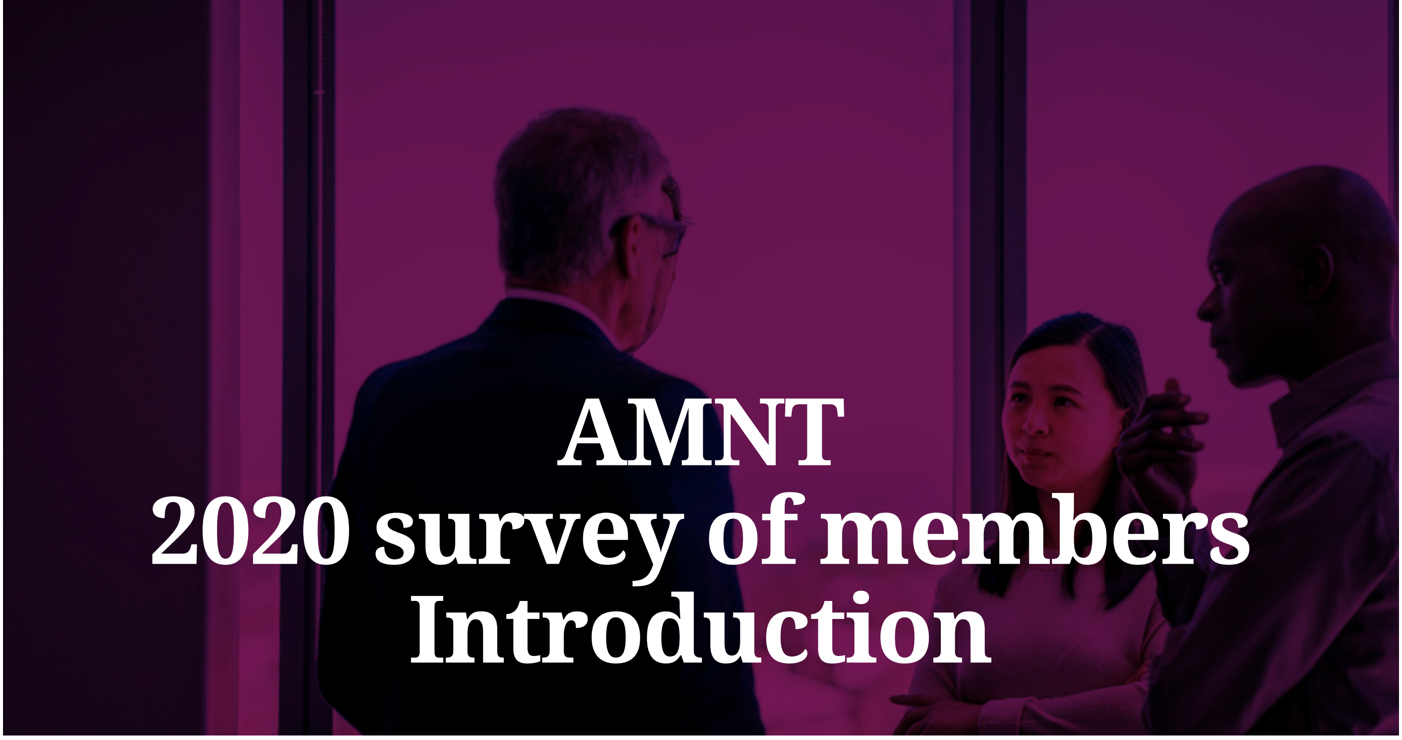


AMNT
2020 survey of members
Introduction

AMNT achieves its tenth anniversary this autumn. Every so often, we undertake a survey to review who we are and how we make our contribution to the pensions scene. This booklet gives the results of our ten year study, conducted during August-September 2020. It is a mine of useful information on how trustees operate, both generally and also in the Covid-19 regime in which we now find ourselves.

We now have just under 800 individual members. Together, we represent pension schemes with assets under management of around GBP £950 billion. Thus, we have become collectively a major representative force in the occupational pensions sector. Our members, individually, make significant contributions to their own specific schemes.

The survey results come in two parts. The main top line takeaways, including significant headlines. Then comes a detailed analysis of findings, grouped in ten types.

The top line takeaways are these:

- MNTs continue to fulfil a valuable, and value for money, job of work in pension scheme governance.
- The current pandemic has not made a great impact on the operation of pension schemes: either business solutions or conduct of business.
- MNTs tend to hold favourable views of the Pensions Regulator (TPR): as an essential trainer, and as a guide during the current pandemic..
- ESG factors (environment, social, governance) continue to assume increasing importance in decision making.
- Technical skills are valued more highly than soft skills.
- Training is high priority for all trustees.

Detailed analyses come in these ten groups:

- 1. You, as a pension scheme trustee
- 2. The state of your pension scheme
- 3. Risk management
- 4. Your pension scheme governance, and your role in it
- 5. Your views on trusteeship and training
- 6. Communication with your pension scheme members
- 7. Investment and funding for your scheme
- 8. Your sponsor covenant
- 9. The Pensions Regulator: contribution to your scheme
- 10. End game issues

The survey shows clearly the importance that member nominated trustees place on their advisers. The AMNT, too, relies on support and encouragement from sponsors in the industry. Our valued sponsors are listed at the end of this report. We thank here XPS in particular, who have been our partners and advisers throughout this tenth anniversary survey.

What have AMNT and our sponsors achieved together? Pensions Minister Guy Opperman MP gives his assessment:

“The AMNT offers a vital and independent voice in pensions governance. As well as raising standards of trusteeship with independent training and awareness sessions, they have an uncanny knack of identifying both issues and solutions ahead of the pack – on Collective DC, ESG, member representation and pooled funding voting. I congratulate them on 10 years of helping the voice of the pension scheme member speak truth to the might of the finance industry and change the relationship.”

David Weeks

Co-Chair: Association of Member Nominated Trustees
October 2020

amnt Association of Member Nominated Trustees

It's been a pleasure to work with the AMNT on their 10th anniversary survey and it's been great to see so many of the membership taking the time to provide their views.

It's clear that the trustee role is a challenging one but the AMNT membership seem determined to face these challenges head on. In particular the Covid-19 pandemic has led to social and economic upheaval, but pension scheme trustees have shown a resilience and ability to adapt that has enabled business to continue largely as usual. There also seems to be a desire to take the lessons learned from the changes in the ways of working brought about by the pandemic and combine these with the more traditional approach to form a better trustee operational model for the future.

The three key themes that stand out from the survey for me are:

- **The Trustee role is not one to be taken lightly**

The survey results highlight that the trustee role is a challenging one, with significant time commitment. Indeed 74% spent 30 hours or more on formal trustee business each year, with 58% spending a further 30 hours or more on background reading / training. For a role that is largely unpaid, this is a significant commitment. Despite this 90% of respondents supported a further raising of the bar with a view that there should be a compulsory qualification for all trustees (with the majority favouring a formal requirement to complete the trustee toolkit.) In my view the key challenge is keeping the flow of new MNTs and seeking to increase diversity. Of the respondents, 46% pointed noted a real struggle in finding new MNTs, although 38% said they had no issues.

- **Resilience during the pandemic**

The pandemic has led to huge changes in working environments, market volatility and pressure on many scheme sponsors, but there is a real sense from the survey respondents that trustees have been able to continue with their duties largely as business-as-usual. The respondents' schemes also seem to have held up well in general; only 3% pointed to a large deterioration in funding level. Perhaps surprising is that only 22% of respondents felt that risks in relation to the sponsoring employer had increased as a result of the pandemic, with the key concern appearing to be continuing affordability of deficit reduction contributions. This may reflect many of the respondents' scheme being in a well funded position, or having robust contingency plans in place for such a market shock.

- **Desire to make changes for the long term**

Thinking about the long term is a key theme in the industry at the moment, not least because of the focus on long term objectives from the Pensions Regulator. There was a clear steer from the membership that the 'end game' is looming into sight and is something to be planned for, rather than something that is seen as unachievable. Nearly all respondents reported having some form of long term plan in place, with 74% indicating that they were targeting either buy-out or some sort of low dependency position. There is also openness to change in how meetings are run, with 71% believing that virtual meetings will replace at least some of the historic face to face meetings post pandemic. The majority though flag that there are circumstances where a face to face meeting is the most effective way to reach a decision. It seems likely that we will move to a world where schemes use a combination of face to face meetings, combined with more frequent shorter video conferences, enabling the best use of the trustee board's time.

Overall, it's clear that the trustee role is not one where people can rest on their laurels. The landscape is constantly changing with challenges on the horizon. The existing AMNT membership seem well equipped and committed, but the steep learning curve and demands of the role could make filling the roles in future a challenge. Given the hugely valuable roles MNTs play, there should be an onus on the industry to encourage people to step forward and to provide support for the induction into the role.

Rob Wallace

Partner, XPS

Rob is a Scheme Actuary with 20 years' experience in the industry. He is head of governance at XPS, with a focus on helping trustees engage with their risk management frameworks and the future of trusteeship.

Key takeaways

Overall

- MNTs continue to fulfil a valuable and experienced role in pension scheme governance.
- The current pandemic has not made a great impact on the operation of pension schemes: either business solutions or conduct of business.
- MNTs tend to hold favourable views of the Pensions Regulator (TPR): as an essential trainer, and as a guide during the current pandemic.
- ESG factors (environment, social, governance) continue to assume increasing importance in decision making.
- Technical skills are valued higher than soft skills
- Training is critical for all Trustees

AMNT members

- AMNT members have great accumulated experience, with an average of around 12 years in post. (1.3.)
- Remuneration: 45% say they are remunerated in cash or time off regular duties. An MNT role is not, however, a great money spinner for the time commitment and attention to training that they show (akin to an NED in a PLC). (1.5; 1.6; 1.7; 4.7; 5.3.)
- AMNT members are experienced in their approach. They know what a well-run scheme should look like: (1) Funding level. (2.5.) (2) Employer covenant. (2.6.) (3) Risk management and de-risking.
- End game. Almost all, 98%, have a plan: Buy out is the gold standard; Consolidators and superfunds remain a minority interest; Fiduciary management is a topic on which trustees have made up their minds, either for or against. (10.2; 7.5.)
- There is not much diversity at present, but awareness has grown for the value of widening the pool. (1.4; 4.6.)
- The current generation of MNTs may be hard to replace without positive action, certainly with people of the same calibre. AMNT members are, however, concentrated in defined benefit schemes, which constitute a declining market. (2.3; 2.4; 4.5.)

Member nominated trusteeship in general

- Role of an MNT is akin to that of a NED in a PLC. It is not necessarily a well understood role. This deficiency may deter some potential recruits. (4.7.)
- AMNT members support a compulsory qualification for all trustees: the figure is as high as 90%. (5.2.)
- The Pensions Regulator's trustee toolkit is the method of choice for accreditation. (5.2.)

Impact of the current pandemic

- The general picture is that the current pandemic has not made much impact. (3 to 10, inclusive.)
- Performance of the Pensions Regulator in responding to the pandemic receives a cautious vote of confidence from a wide spectrum (9/10) of respondents. (9.2; 9.3.)
- The pandemic has produced a beneficial effect in focusing the attention of trustees. (4.3.)
- It has not produced any particular negative impact on the conduct of business. (Virtual meetings are a useful extra tool, but not a full substitute for face to face meetings.) (4.4.)
- Questions covered a range of trustee concerns. All show a similarly low level of impact from the pandemic: (1) Investment strategy and funding. (7.3.) There is increased focus on liability driven investment. (2) Cashflow. (7.2.) 58% say: "We make disinvestments as and when required to meet cashflow". (3) Employer covenants. (8.) (4) Member queries and communications. (6.) (5) Scams: certainly a problem, but not one that the pandemic seems to have exacerbated. (6.4.)

ESG: environment, social, governance

- ESG factors have assumed increased importance in decision making since AMNT's survey of 2017. (7.6.)
- Pandemic has not made much impact to this trend. Nearly half (48%) say: "ESG factors were already a key part in our investment strategy". 49% say: "Our focus on ESG factors hasn't changed following the pandemic". 18% do, however, say: "Our focus on ESG factors has increased following the pandemic". (7.6.)

Analysis and results:

Introduction

- Questions were 40 in number; grouped under 10 broad headings: listed as 1 to 10 below.
- Response rate was just over 12% of AMNT members: one in eight. There was a good response rate to all individual questions.

Comparison with AMNT's comparable survey of 2017 provides some useful data on trends.

1: You, as a pension scheme trustee

1.1: Questions x 10. These produced a mine of background information about member nominated trustees.

1.2: Democracy reigns in pension scheme governance, but perhaps at the expense of diversity.

- 2/3 of respondents said that they were elected. Only ¼ were selected. Trade union representation was negligible.

1.3: MNTs have great experience

- The longest service quoted was 35 years. There was a fairly even spread up to that.
- The most frequent time mentioned was 12 years. 12 years is probably around the focal point, or mean or average.
- Thus, any move to marginalise MNTs would lose a large pool of accumulated experience.

1.4: There is not much diversity in either gender or age

- 9/10 are male.
- There is a bias to the upper age groups. 50%, one half, were aged 65-74 years. 15% are aged 75 or over. Below that were 24%, one quarter, in the band 55-64 years. 9% were aged 45-54 years. Just 2% were aged under 45 years.

1.5: Remuneration arrangements are similar to those that applied in 2017

- 55% are not remunerated; 45% are remunerated.
- For 9% the remuneration is paid time off work only.
- For 10% remuneration was below £5k a year. For 14% it was in the band £5k-£10k. For 12%, 1/8, it was £10k or more.
- MNT roles are not great money spinners.

1.6: MNTs are assiduous in keeping up to date in the world of pensions. Almost all give a positive response about what they do.

- Key themes in their answers are the importance of advisers and webinars, and the very minor role attributed to social media.
- 94% quote training from advisers at meetings; 75% quote training from advisers outside meetings. 80% cite adviser briefings. 84% quote webinars. 72% say the pensions press. 38% quote industry bodies. Finally, just 10% mention social media.

1.7: MNTs are assiduous in time spent on their duties.

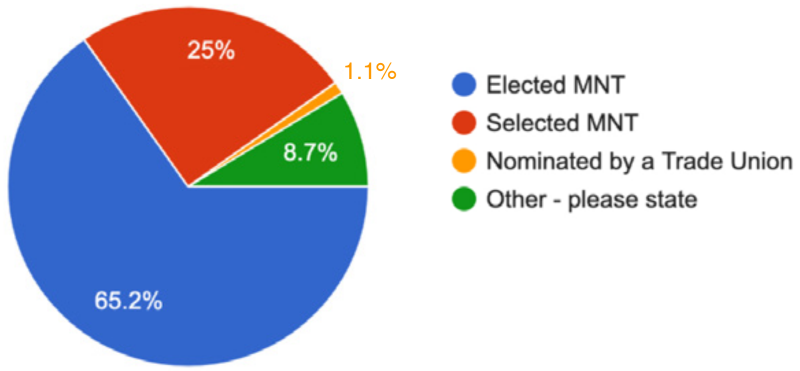
- A big majority spend over 30 hours a year on formal trustee business (74%), with 30 hours also on background reading (58%).
- Thus, the job of MNT is akin in scale to a non executive director in a quoted limited company.

1.8: MNTs tend not to fill specific positions on their boards:

- 4/5 do not fill any special role.
- 12% say that they chair the board. 8% say that they chair a sub committee.

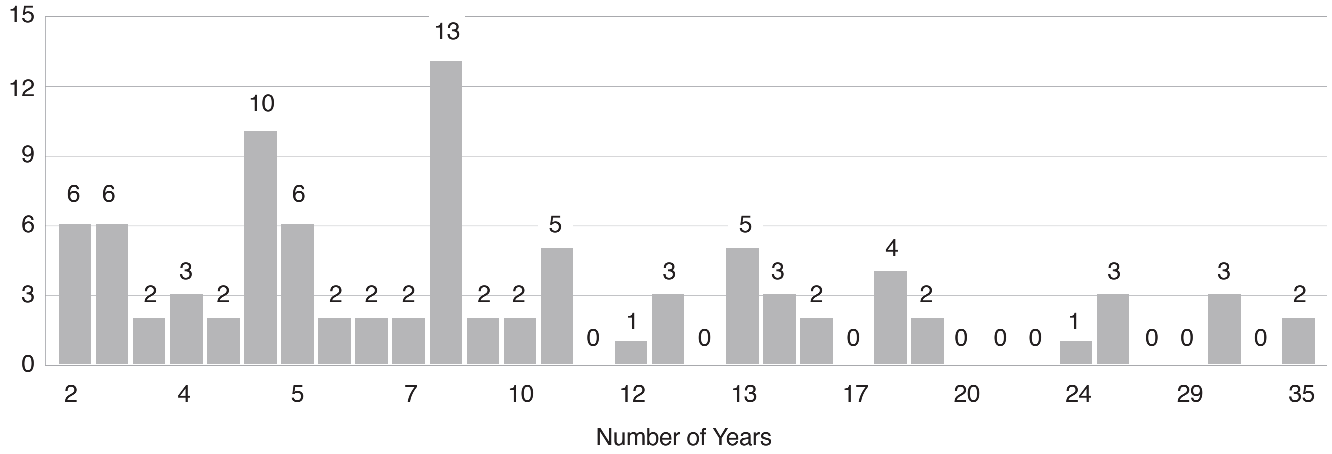
Q1. What is your role?

92 responses



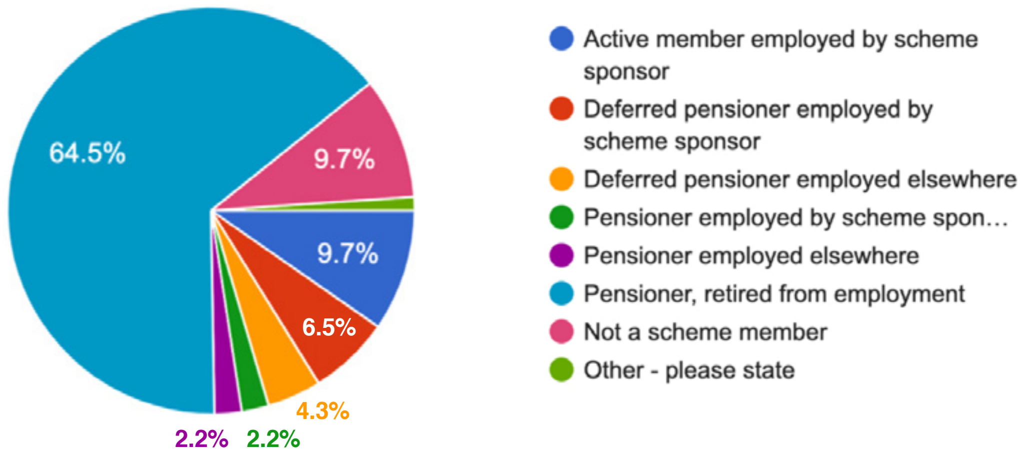
Q2. How long have you been a trustee? (please enter number of years)

93 responses



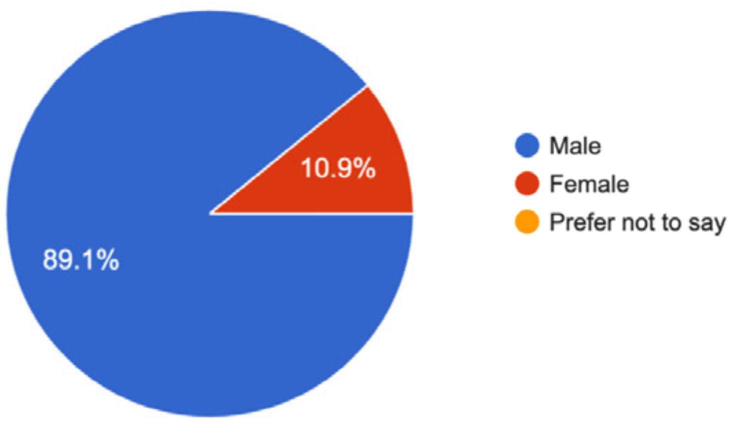
Q3. What is your status within your pensions scheme?

93 responses



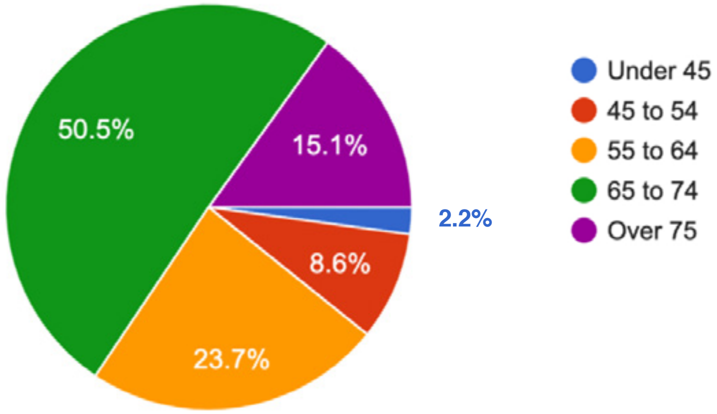
Q4. What is your gender?

92 responses



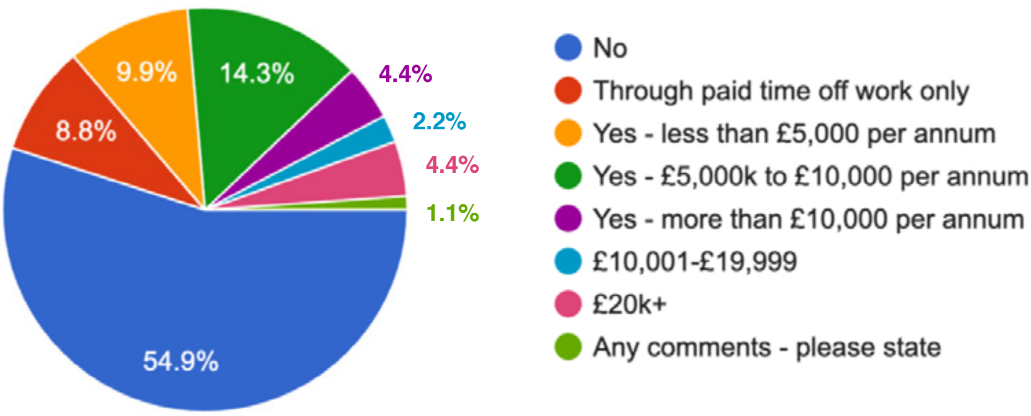
Q5. What age group do you fit into?

93 responses



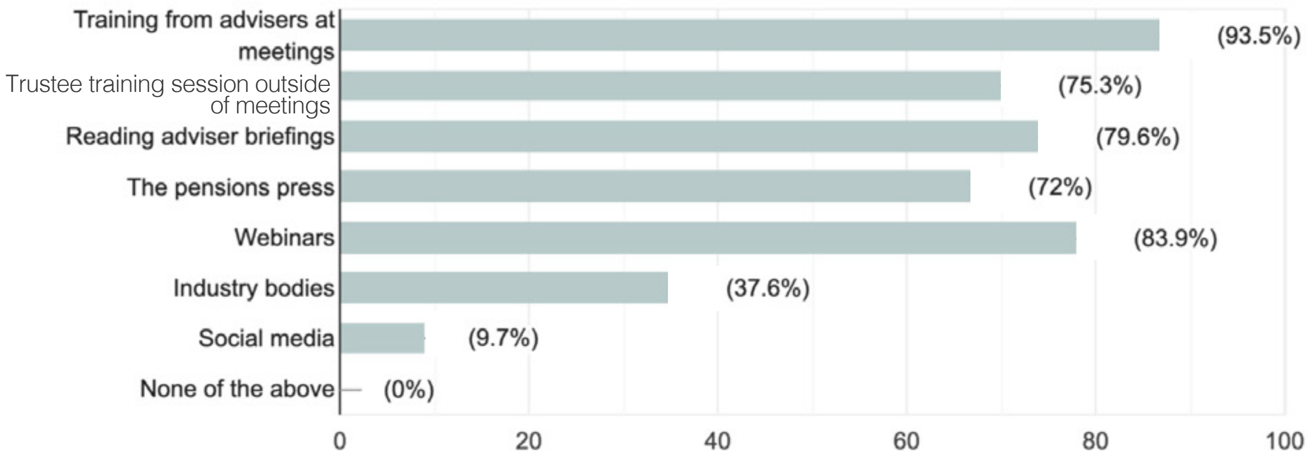
Q6. Are you remunerated for your role? (other than expenses)

91 responses



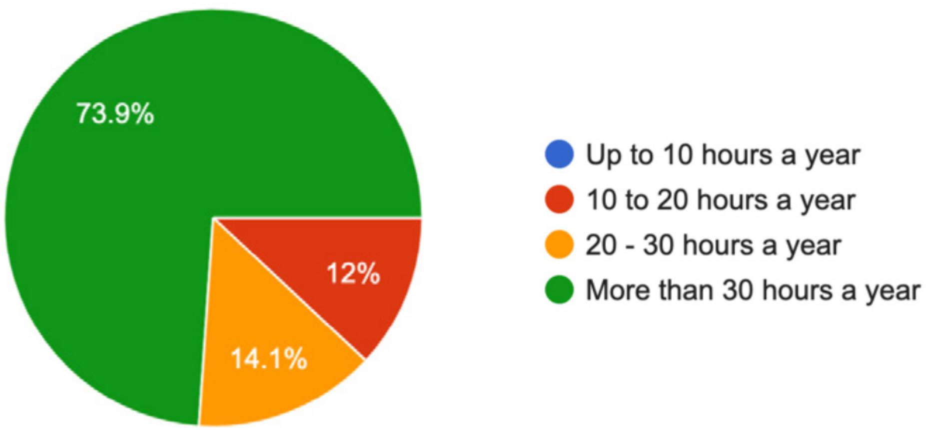
Q7. How do you mainly keep up to date with the world of pensions? (Tick all that apply)

93 responses



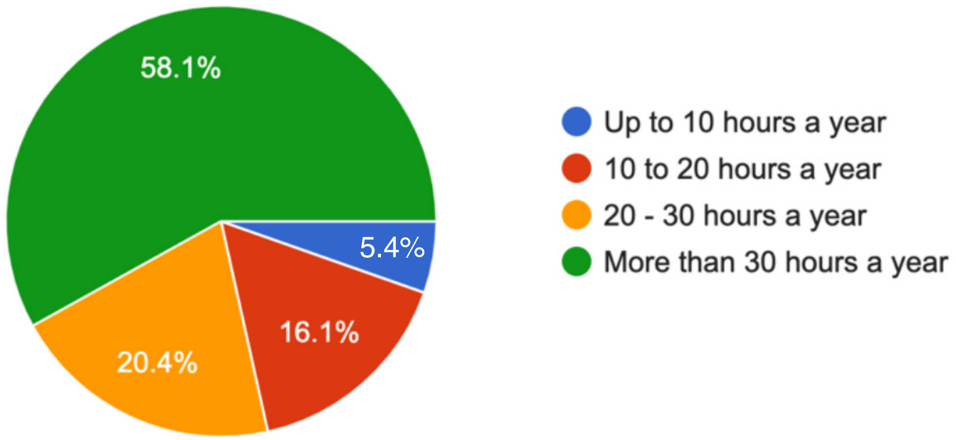
Q8. How many hours a year do you spend on the Trustee role? on normal trustee business such as meetings and calls

92 responses



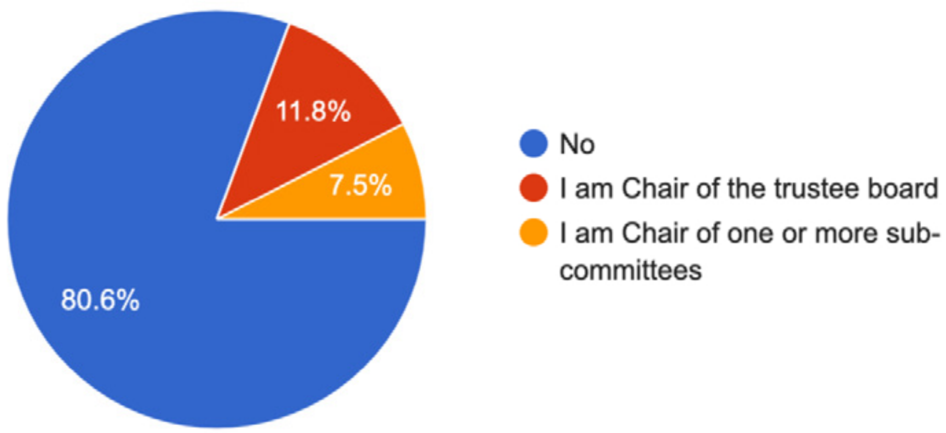
Q9. How many hours a year do you spend on the Trustee role? - on background reading / other activities

93 responses



Q10. Do you act as Chair to the trustee board or any sub-committees

93 responses



2: The state of your pension scheme

2.1: Questions x 5. From these a picture emerges. DB schemes are declining. Funding, however, is strong. Employer covenants are also strong. MNTs are doing a good job, albeit in a declining market.

2.2: AMNT members represent a good spread in terms of size of fund

- By band of assets under management the spread is this: £1 billion and above 28%. £500-999 million 17%. £100-499 million 30%. Under £100 million 25%

2.3: There is a definite bias to defined benefit schemes: 72%.

- Otherwise, 20% said a hybrid. 6% said a DC scheme

2.4: DB schemes are on the decline

- A mere 8% remain open to new members. 25% are closed to new members, but still open to accrual. The majority, 2/3, 67%, are closed to new members and closed to accrual.

2.5: Schemes are well funded

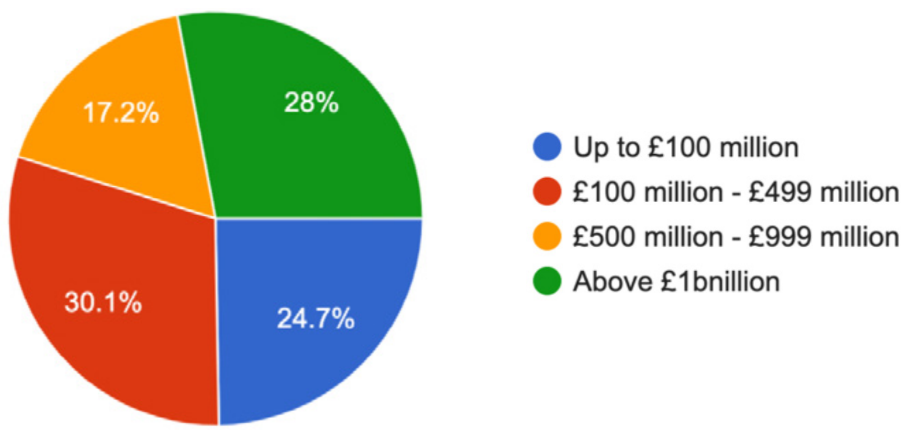
- By band, on a technical provisions basis, the figures are as follows: 12% of schemes said that they were funded at 105%+. 41% of schemes were in the next band of funding, at 95-105%. Then came 31% of schemes in the funding band of 85-95%. Only 16% of schemes said that their funding was below 85%

2.6: Sponsor covenants were strong, prior to the pandemic.

- In the headings of the Pensions Regulator: 40% were strong. 44% were tending to strong. 11% were tending to weak. Just 3% said that they were weak.

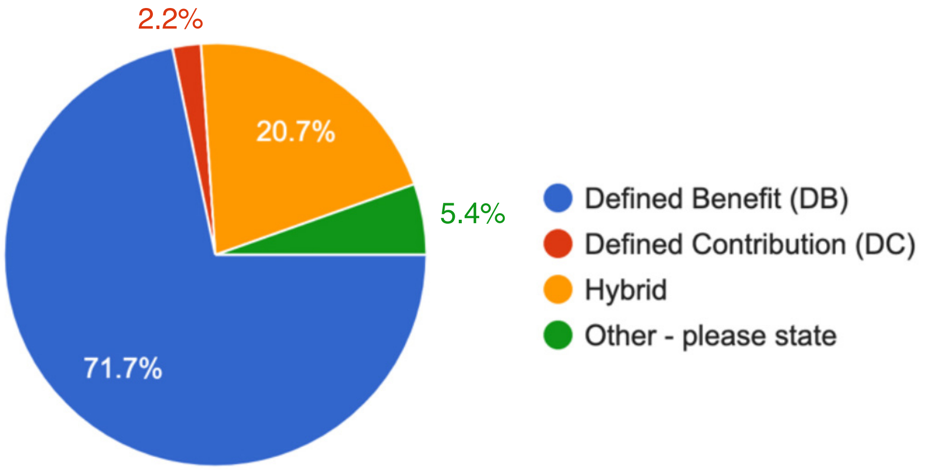
Q11. What is the asset size for your scheme?

93 responses



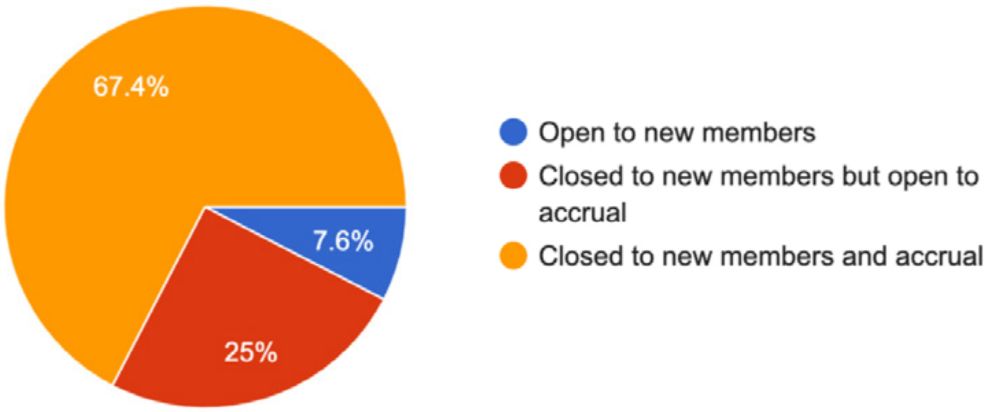
Q12. What is your scheme type?

92 responses



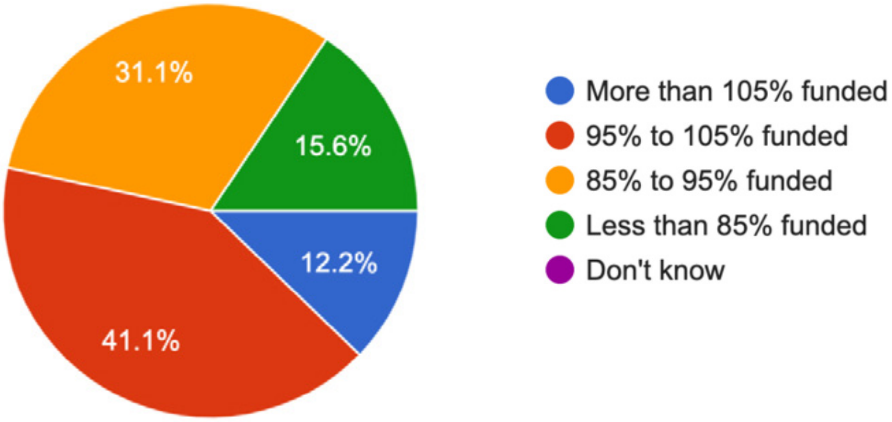
Q13. If your scheme has a defined Benefit (DB) section, what is the status of that section?

92 responses



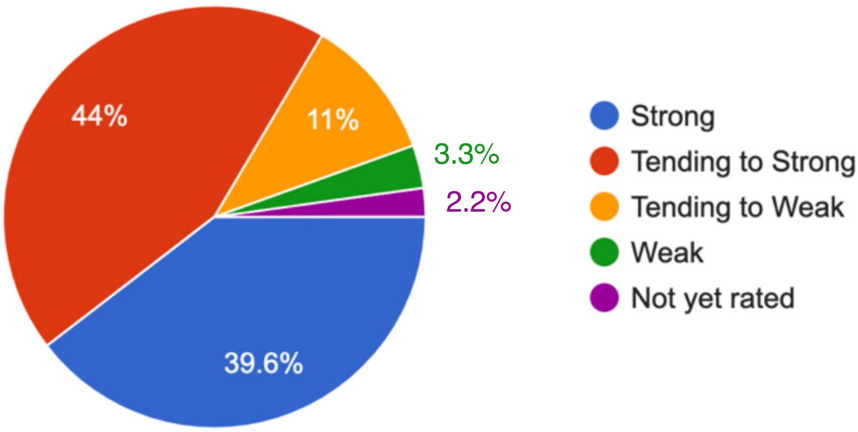
Q14. How well funded was your scheme prior to the pandemic? (on the funding / technical provisions basis)?

90 responses



Q15. How strong did your trustee board rate the sponsor covenant supporting your scheme prior to the pandemic?

91 responses



3. Risk management

3.2: “How have the key risks facing your scheme changed since before the pandemic?” “Not much” is the answer in summary.

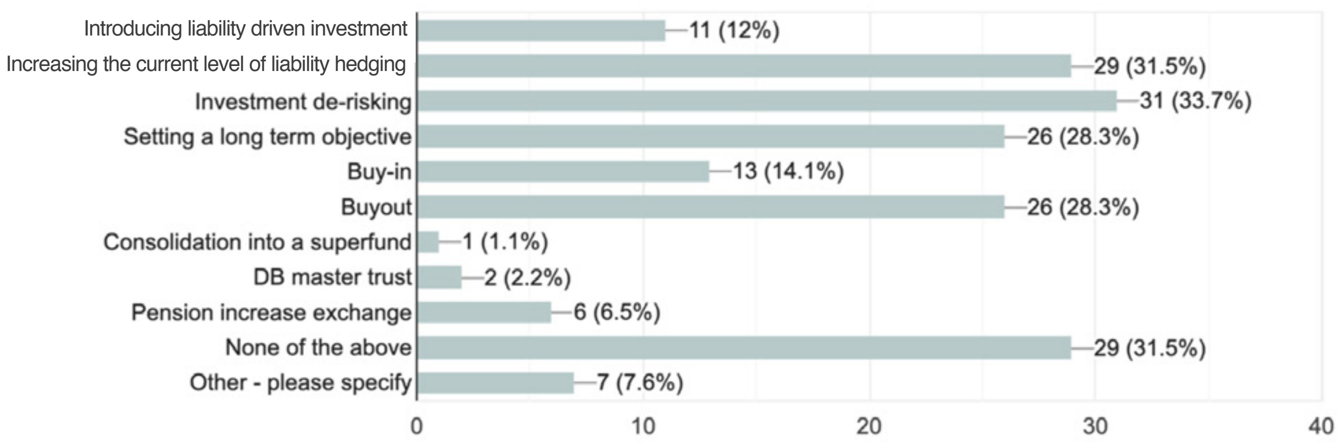
- “No change” was the response in answer to the following options: sponsor insolvency; exposure to inflation; demographic risks; members’ understanding; and regulatory risks.
- Three factors rated an “increased risk” rating: in descending order: investments falling in value; exposure to gilt yields; and operational risks.
- “Not a key risk” was the verdict on “sponsor remains solvent, but unable to afford deficit contributions”.

3.3: “Is your scheme considering any of the following derisking measures post pandemic?” Here there was a scatter of answers.

- Top was investment derisking, quoted by 34% of respondents. Second, on 32%, was increasing the current level of liability hedging. Then came buyout, on 29%. Setting a long term objective was mentioned by 28%. Buy in scored 14%. Introducing liability driven investment (LDI) came in at 12%.
- PIE, pension income exchange, was mentioned by 6%. Finally came DB master trust, at 2%, and consolidation into a superfund, at just 1%.

Q17. Is your scheme considering any of the following de-risking measures post pandemic? (tick all that apply)

92 responses



4. Your pension scheme governance; and your role in it

4.2: “How do you plan to use virtual meetings going forward?” The way ahead seems to be that virtual meetings will become a significant new element, but that face to face meetings will remain as important.

- 42% say that “we plan to introduce virtual meetings to replace some face to face meetings in the longer term”. By contrast, 29% say “we plan to return fully to face to face meetings when possible”. 18% say “we plan to introduce virtual meetings to replace most face to face meetings in the longer term”. The remaining 11% say: “we regularly used virtual meetings anyway prior to the pandemic”.

4.3: “How has the pandemic changed the role of the trustee?”

- Four answers form a top league, each quoted by around half of all respondents: “More difficult decision making due to increasing uncertainty”: 52%; “Increased complexity in the issues being discussed”: 48%; Increased focus on governance and how the scheme is run”: 47% “Greater time commitment”: 46%.
- “A need to be more pragmatic representing the difficulties being faced by the sponsor” scores just under ¼, at 22%.
- Two measures cover a shift in conduct of business, both mentioned by just under 1/5 of respondents: “Less focus on business as usual activities”: 19%; “More pressure to make decisions quickly”: 18%.

4.4: Some thoughts on the trustee role. Respondents were asked if they agreed or disagreed with a number of statements.

- Two statements attracted strong disagreement: “The strength of my internet connection has been a barrier to me carrying out my trustee duties”; and “I find it harder to make a contribution in a virtual meeting than I would in a face to face meeting”.
- There was agreement, however, that: “It is more difficult thoroughly to discuss an issue virtually than face to face.
- Two statements attracted a more or less even split between agreement and disagreement: “The use of technology has enhanced the way we hold meetings and our decision making”; and “Decisions can be made faster and more efficiently in the current environment”.

4.5: Recruiting new MNTs? There is a problem, but it is not universal.

- 46% say: “we really struggle in finding scheme members to stand as trustees”.
- Why is there a problem? 44% say: “members do not have a clear understanding of the scope of the trustee role” 29% say: “members are put off from standing as trustees due to the potential risks involved”. 25% thought that: “increasing pay for MNTs would encourage more interest in the role”. By contrast, 38% say: “we have no issues attracting new member nominated trustees”.

4.6: Respondents were asked about the value of diversity.

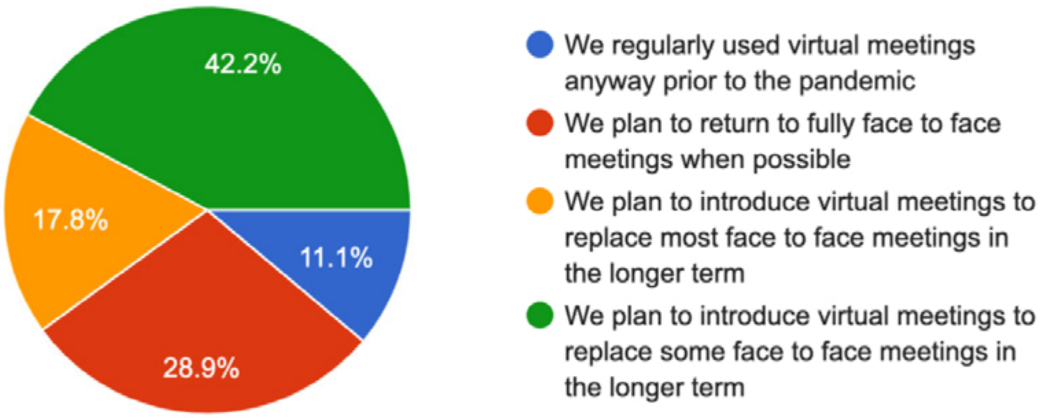
- 28% thought that “having a diverse board would improve decision making”. 22% said: “we are actively seeking a diverse trustee board”.

4.7: “Which activities do you think will allow you to make the greatest contribution as an MNT?” Responses were similar to those given in the survey of 2017. MNTs see their main responsibilities as NED types. Member representation is a secondary strand.

- On general issues, 65% say: “asking the questions others might be afraid to ask”. 60% say: “challenging advisers”. 52% say: “giving time to the trustee role: papers read; decisions made; actions taken”. 42% say: “investment strategy discussions”. 35% say: “ensuring the sponsor meets its obligations toward the scheme”. 30% say: “actuarial valuation negotiations”.
- On member orientated issues, 32% cite: “driving up standards of communication and protection for members”. 17% say: “discussions around exercising discretion for member cases”.

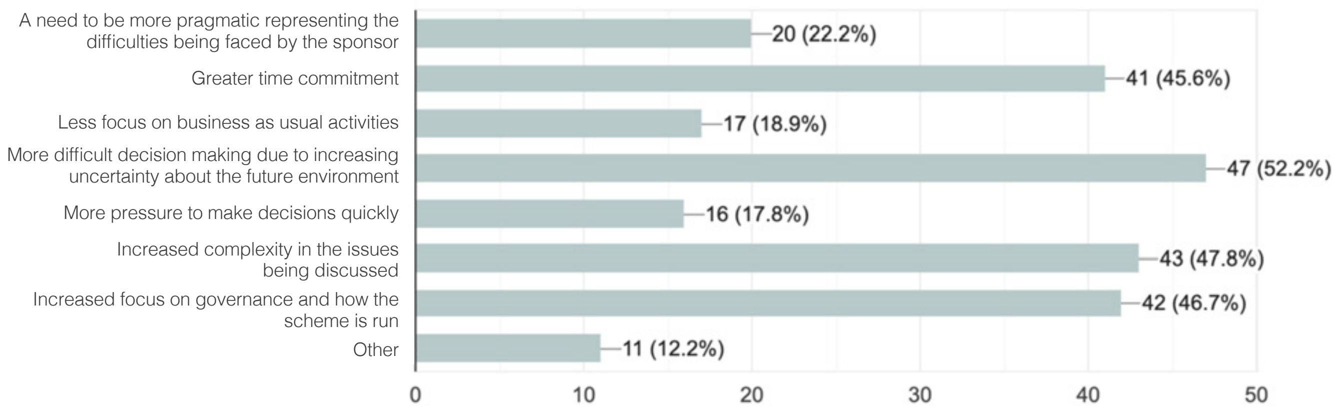
Q18. How do you plan to use virtual meetings going forwards? (Select the most appropriate option)

90 responses

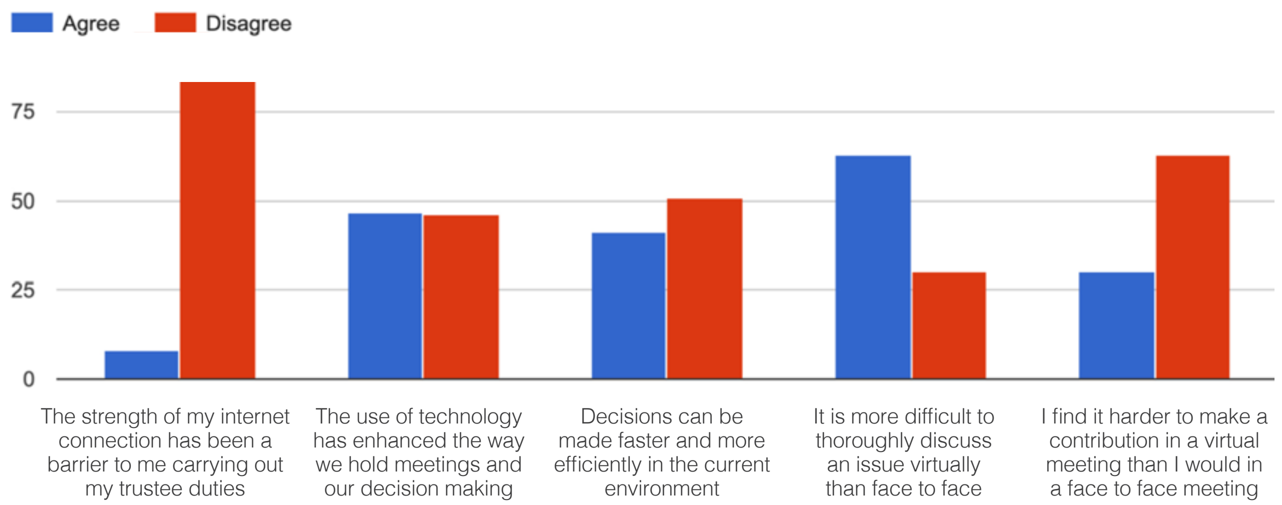


Q19. How has the pandemic changed the role of the trustee? (Tick all that apply)

90 responses

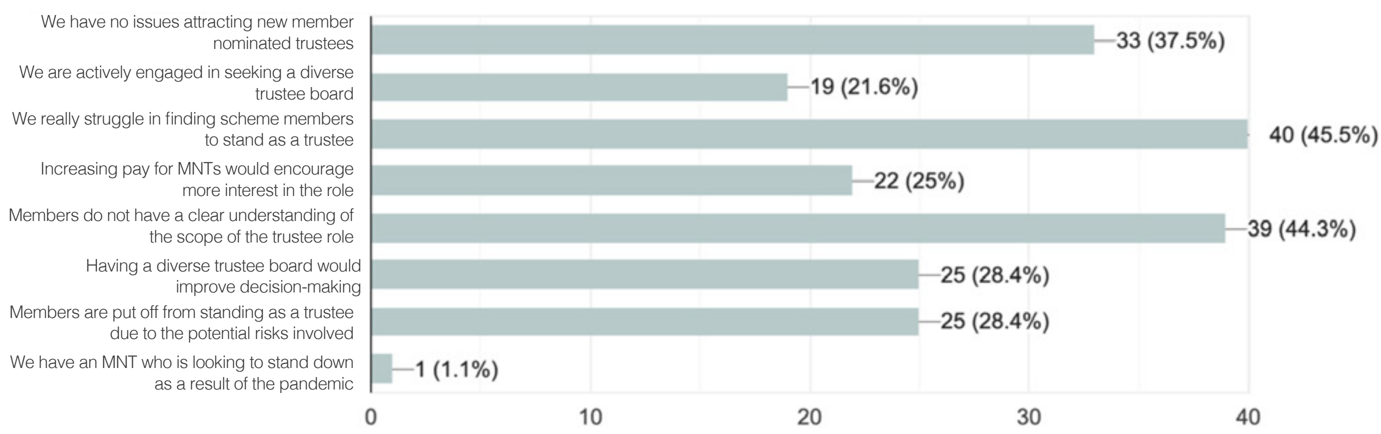


Q20. Do you agree or disagree with the following statements about trusteeship in the current environment? (tick agree or disagree for each one)



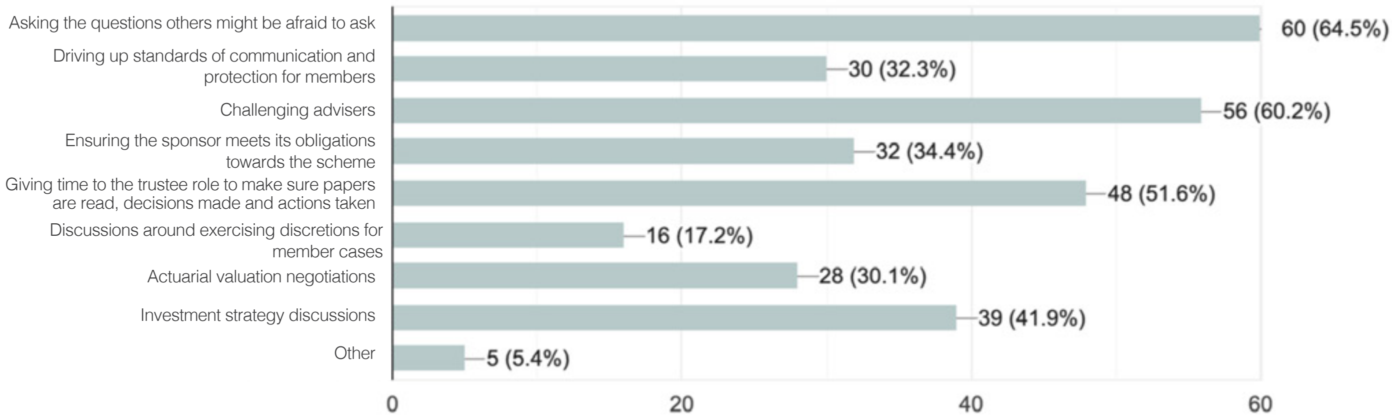
Q21. Which of the following statements is true for your scheme, in relation to finding new member nominated trustees? (tick all that apply)

88 responses



Q22. Which activities do you think will allow you to make the greatest contribution as an MNT post pandemic? (Tick up to 3)

93 responses



5. Trusteeship and training

5.2: "Should there be a compulsory trustee qualification for all trustees?" 90% said yes.

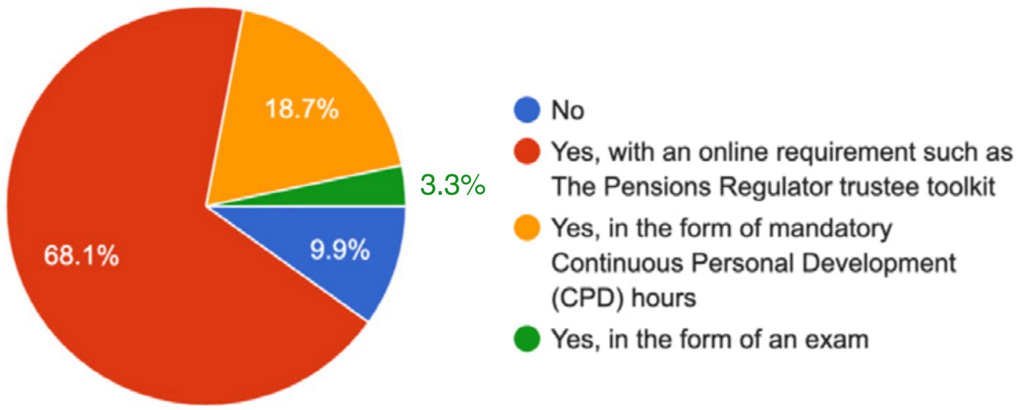
- Of these, 68% said that it should be an on line requirement, such as TPR's trustee toolkit. 19% said that there should be mandatory continuous professional development hours: CPD. A mere 3% favoured an exam.

5.3: "What are your priority areas for trustee training?" The list is clear.

- In descending order: Pensions legislation 51%; equal at 48% investment and long term targets; next, both at 42%, funding and governance.
- Lower down comes a second group: dealing with experts at 28% and trusteeship at 23%. Then, lower still, come negotiation at 6%; running a meeting at 2%; and fiduciary management at 1%.

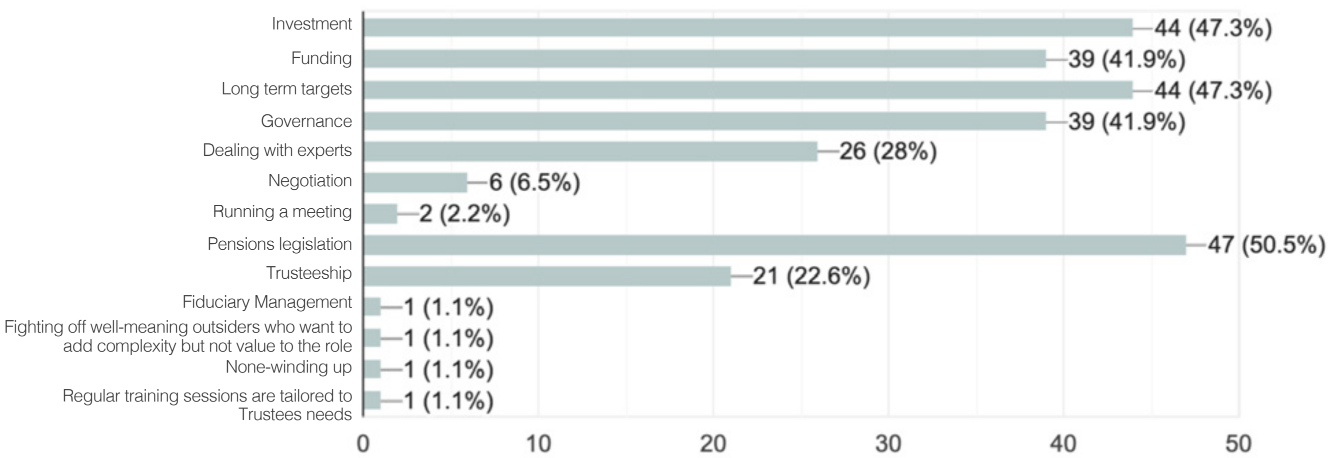
Q23. Should there be a compulsory trustee qualification for all trustees?

91 responses



Q24. What are your priority areas for trustee training post pandemic? (Tick the three that apply most)

93 responses



6. Communication with pension scheme members

6.2: "Has there been a change in member queries since the start of the pandemic?" Not a great deal overall is the position in summary.

- 6/10 said "no real change". Against that, 19% said they had seen an increase in member queries. 16% had seen an increase in member requests for retirement quotations. 10% had seen an increase in transfer value requests. On the other side, 5% had seen a reduction in member queries and quotation requests. 8% said "don't know".

6.3: "What has been your approach to member communication in the current environment?" 6/10 did something.

- 49% issued generic Covid-19 communication to give members reassurance. 13% gave specific Covid-19 communication, with details of the financial impact and of the steps being taken. By contrast, 32% said that they issued only routine communications. 8% said that they did not issue any communications.

6.4: "Which of the following statements are true for your scheme around risks following the pandemic?"

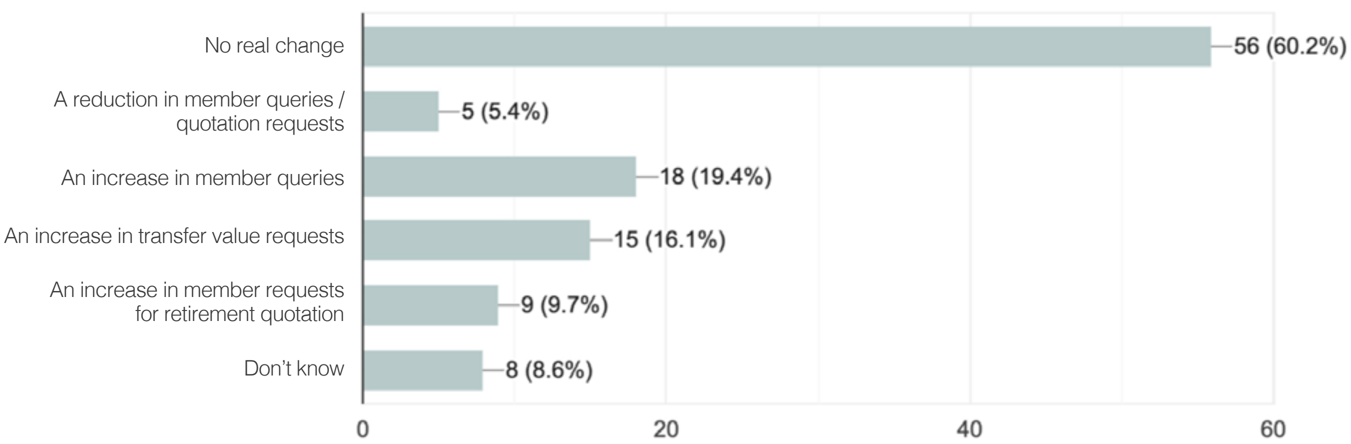
- By far the biggest majority, 3/4 of respondents (72%), said: "We already had a process in place identifying and responding to scam activity prior to the pandemic".
- Nearly half (46%) said: "We have seen no evidence of increased scam activity".
- Only one in ten seem to see a problem that is increasing: 10% say: "Following the pandemic we are putting in place enhanced processes for identifying and responding to scam activity". 9% say: "We have seen increased evidence of potential scam activity since the start of the pandemic".

6.5: "What advice/information do you make available for your members?" There is a spectrum of responses, from a minimalist to a bespoke service.

- At the lower end, 46% said that they answered queries as these arose. A step up was the 19% who said that they had a web site available, with information and benefit modellers, but no specific advice.
- 35% were more proactive. Of these, 18% said that they gave guidance on how to find an independent financial adviser (IFA). 10% said that they had a specific IFA available for members, but that the members themselves had to meet the costs. At the top end, 7% said that there was a specific IFA available to members, with costs met by sponsor or scheme.

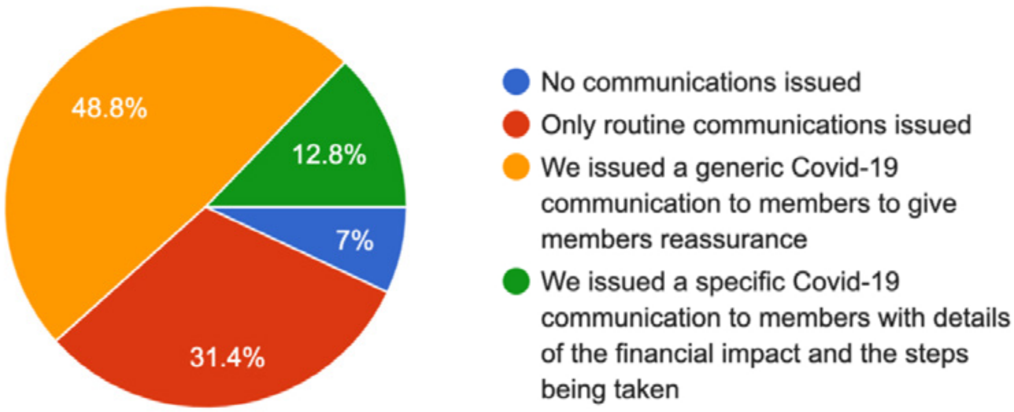
Q25. Has there been a change in member queries since the start of the pandemic? (tick all that apply)

93 responses



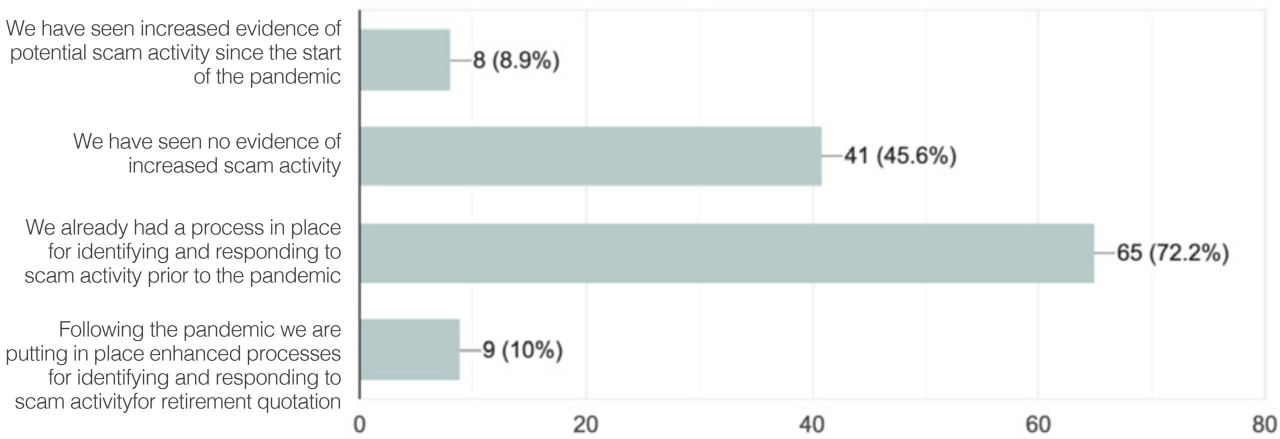
Q26. What has your approach to member communication been in the current environment?

86 responses



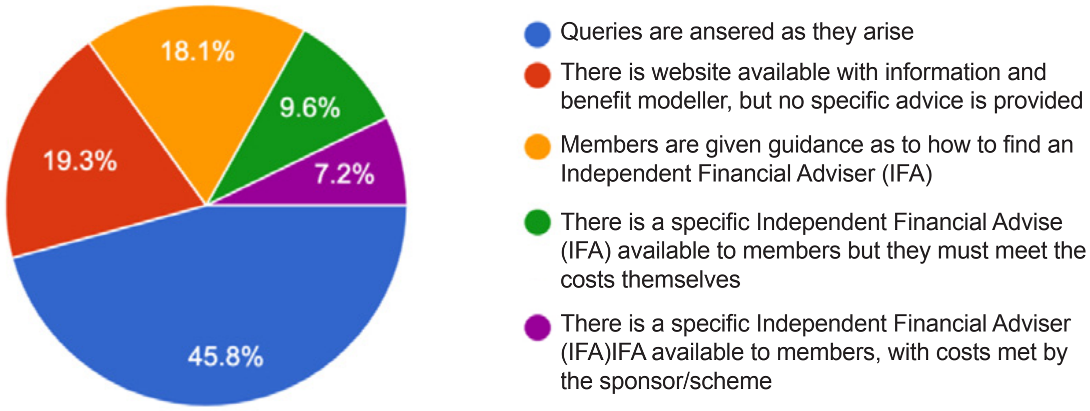
Q27. Which of the following statements are true for your scheme around risks to members following the pandemic (tick all that apply)

90 responses



Q28. What advice / information do you make available to your members?

83 responses



7. Investment and funding

7.2: "How do you meet your scheme's cashflow requirements?"

- 58% say: "we make disinvestments as and when required to meet cashflow". 24% say: "we meet all, or most, of the cashflow requirements from contributions made by the sponsor". Otherwise, 10% say: "we have contractual assets that generate income to meet cashflow requirements". 3% say: "we have annuity policies which meet most of the required cashflow".

7.3: "What has been your response to the pandemic in terms of investment strategy?" The answer is fairly clear. 2/3 say that there has been no change.

- Specifically: 67% say: "our investment strategy is a long term one, and we are not proposing any changes". 18% say: "we have waited for markets to settle before taking any action". 15% each agreed with the following statements: "we have made some changes to our strategy to take advantage of the current low price of some growth assets", and "we have increased our allocation to lower risk assets due to current volatility".

7.4: "Have you invested in any new asset classes in response to the pandemic?"

- 9 out of 10 say not.

7.5: "Has the pandemic changed your views on the relative merits of fiduciary management (FM)?"

- Most schemes have already taken a view. 51% say: "we already use FM". 42% say: "we are not considering the use of FM". Thus, only 7% remain persuadable.

7.6: "How has the importance of ESG factors (environmental, social and governance) changed within your strategy as a result of the pandemic?" . ESG factors had become of increased importance before the pandemic. The pandemic itself has made only a limited impact in moving this trend forward.

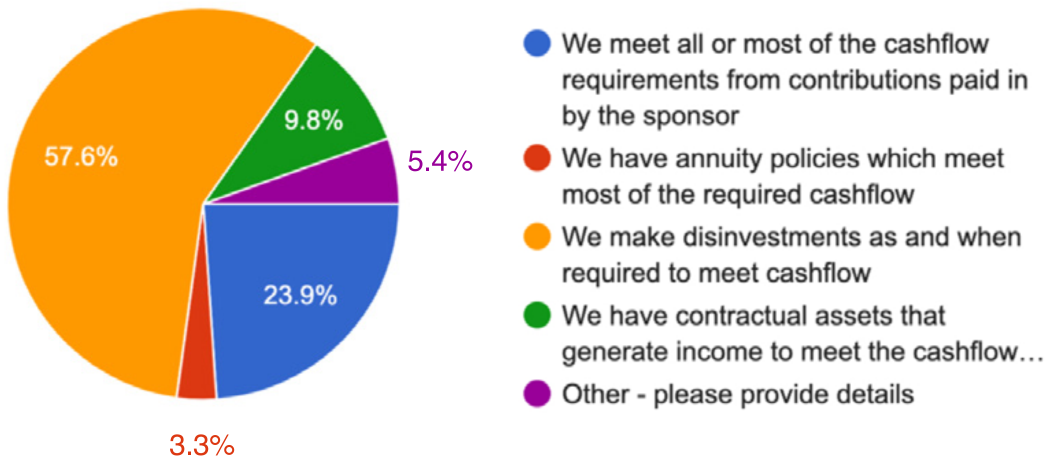
- Nearly half (48%) say: "ESG factors were already a key part of our investment strategy".
- 49% say: "Our focus on ESG factors hasn't changed following the pandemic".
- Just under one in five (18%) say: "Our focus on ESG factors has increased following the pandemic".
- A mere 2% say: "Our focus on ESG factors has reduced following the pandemic as we have other more pertinent issues to focus on".
- In terms of implementing ESG considerations, just under one quarter (23%) say: "We delegate all decisions on ESG factors to our investment managers".

7.7: "How has your funding position been impacted by the pandemic?"

- 29% say "minimal impact". 62% say "small deterioration". 3% say "large deterioration". 6% say "improved".

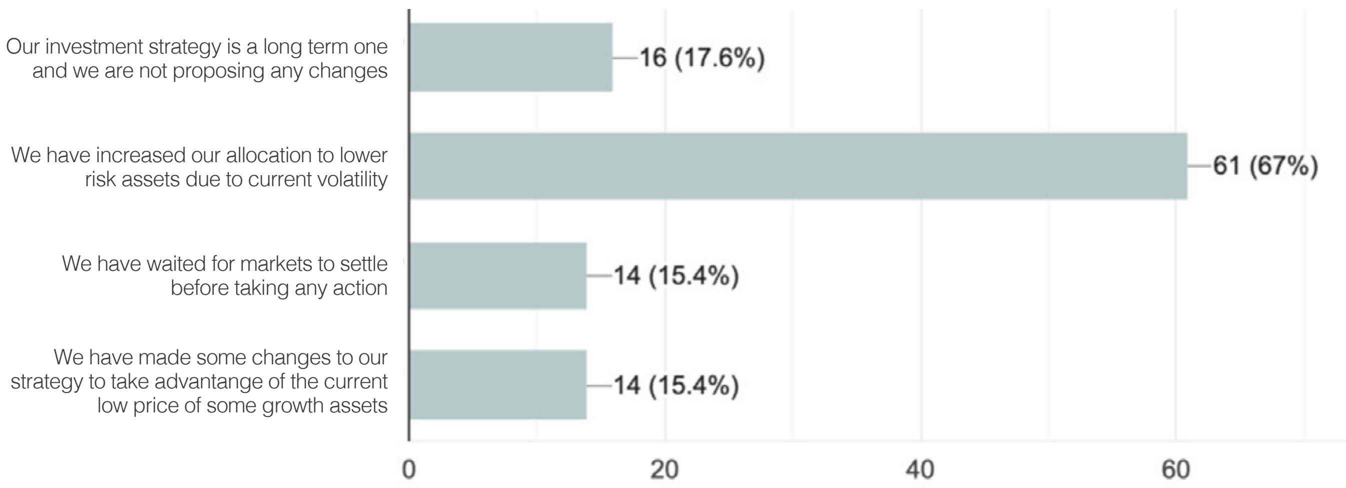
Q29. How do you meet your scheme's cashflow requirements? (Select the answer that most closely matches your approach)

92 responses



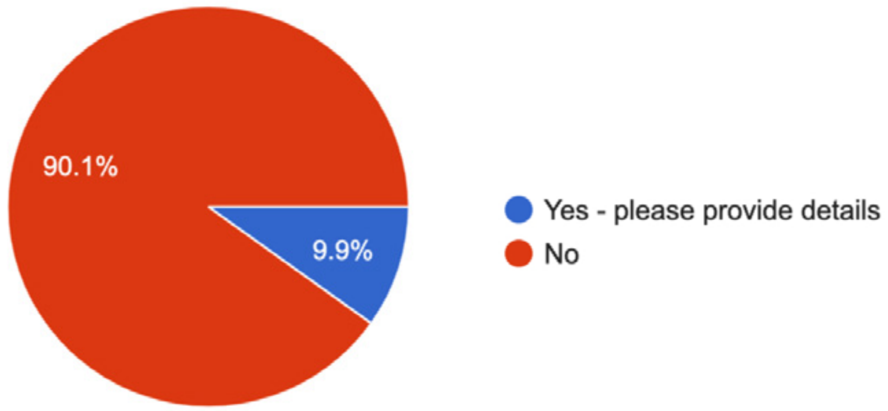
Q30. What has been your response to the pandemic in terms of your investment strategy? (Select all that apply)

91 responses



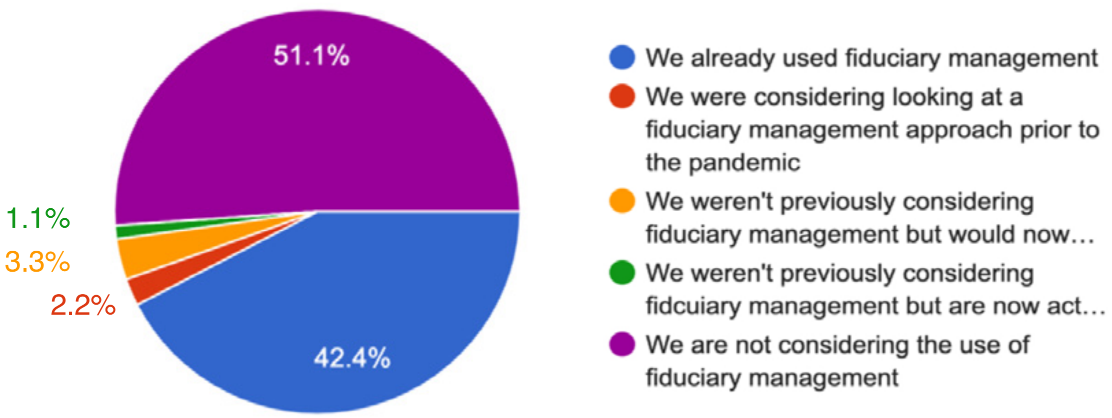
Q31. Have you invested in any new asset classes in response to the pandemic?

91 responses



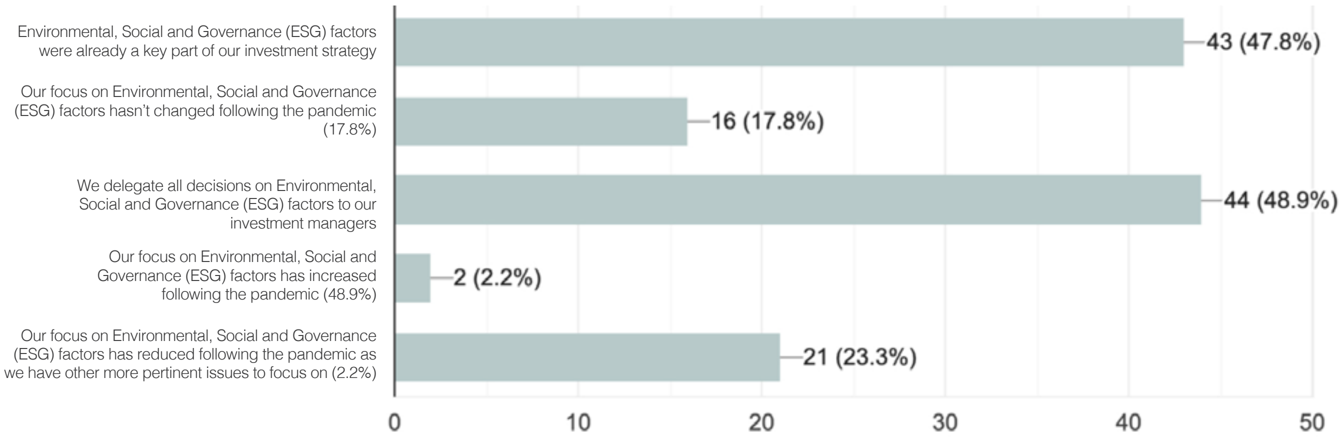
Q32. Has the pandemic changed your views on the relative merits of fiduciary management?

92 responses



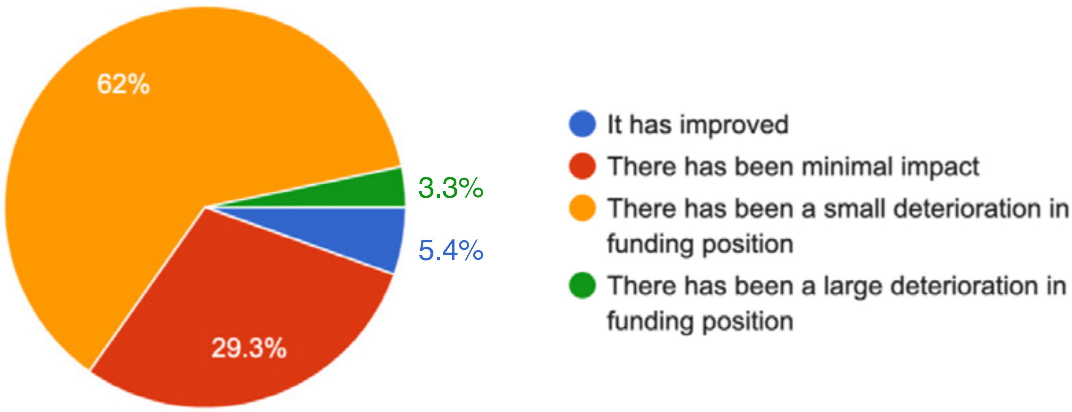
Q33. How has the importance of Environmental, Social and Governance (ESG) factors (such as climate change) changed within your strategy as a result of the pandemic? (tick all that apply)

90 responses



Q34. How has your funding position been impacted by the pandemic?

92 responses



8. Sponsor covenant

8.2: "Has your scheme sponsor looked to defer contributions due to the pandemic?"

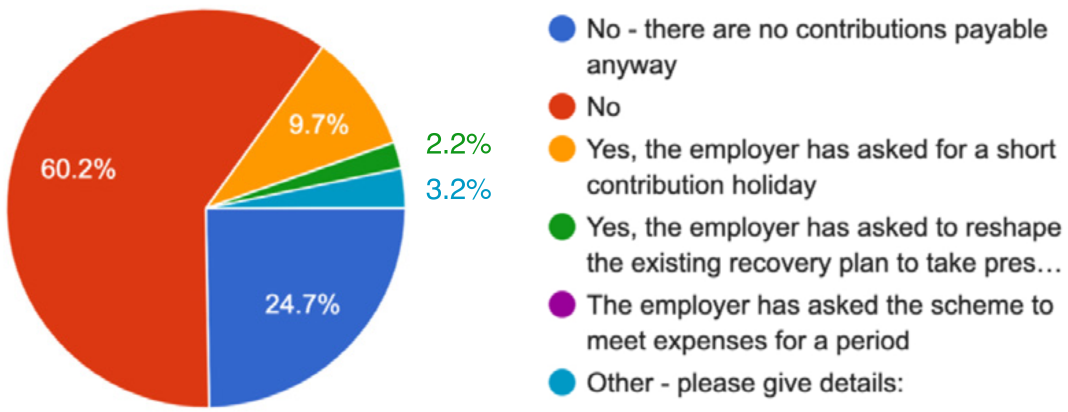
- 85% say not, including 25% who say that they have no contributions anyway.

8.3: "Have any special measures or contingency plans been put in place around covenant?" The pandemic has made only minimal difference.

- 69% said no special measures. A further 26% said that they had increased the frequency and depth of covenant monitoring. Just 3% said that they had been granted a charge over assets. 2% said that they had been granted a guarantee by another group company.

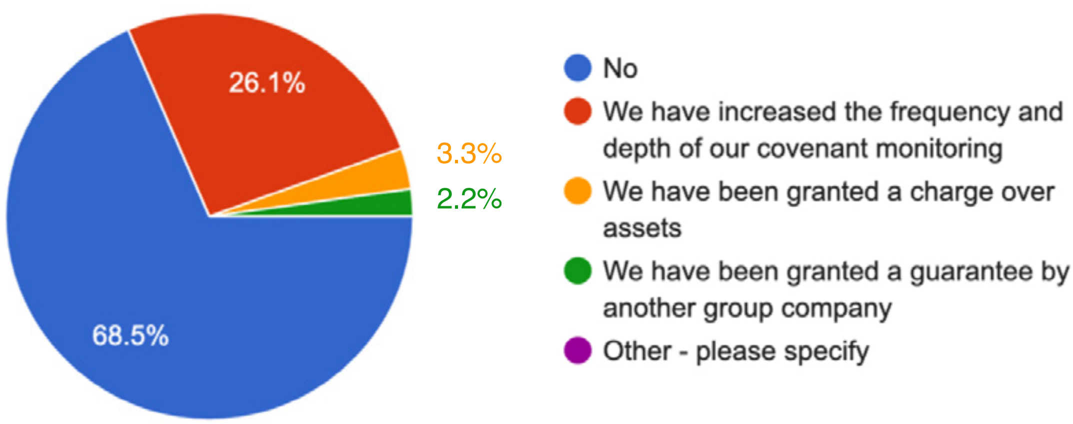
Q35. Has your scheme sponsor looked to defer contributions due the pandemic?

93 responses



Q36. Have any special measures or contigency plans been put in place around covenant

92 responses



9. The Pensions Regulator: TPR

9.2: "How do you view TPR's response to the pandemic?" There is a vote of confidence from 9/10.

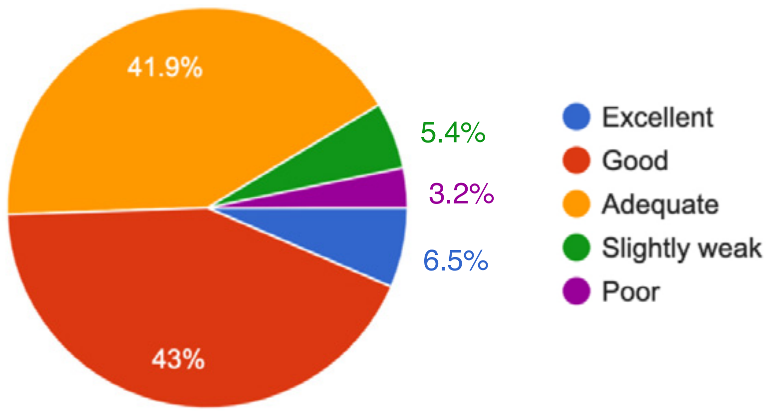
- Excellent 7%. Good 43%. Adequate 42%. Slightly weak 5%. Poor 3%.

9.3: "What do you think should be the key areas of focus for TPR as we move forward from the pandemic?"

- The top five are clear: in descending order: Funding regime 58%. Covenant 52%. Scam protection 47%. Member communications 44%. 21C trusteeship 38%. Lower down came Investments 16%; DC savers 14%; and consolidation 9%.

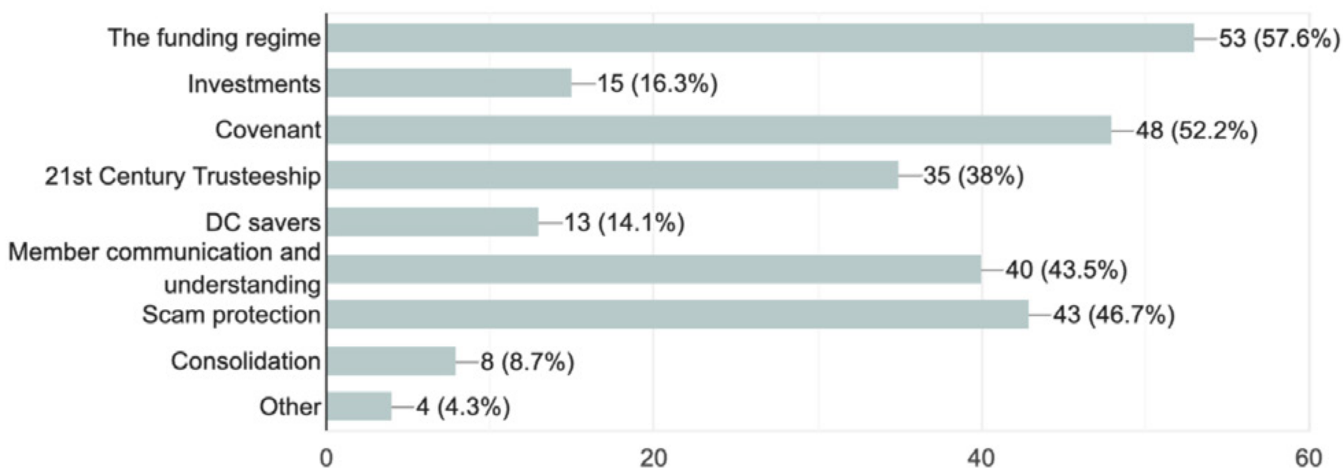
Q37. How do you view The Pensions Regulators response to the pandemic?

93 responses



Q38. What do you think should be the key area of focus for The Pensions Regulator as we move forward from the pandemic? (tick up to 3)

92 responses



10: End game issues

10.2: "What is your long term funding target?" Almost all, 98%, have a plan.

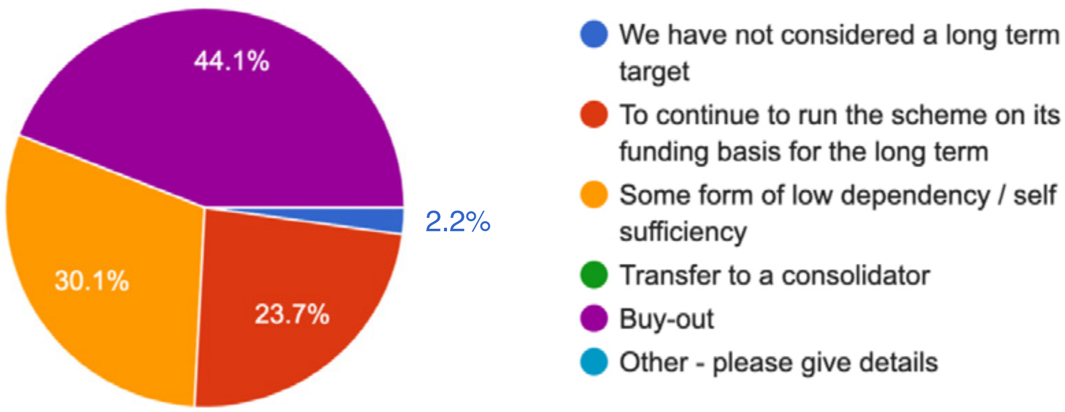
- Buy out 44%. Some form of low dependency/self sufficiency 30%. Continue to run the scheme on its funding basis for the long term 24%. Transfer to a consolidator 0%. We have not considered a long term target: the remaining 2%.

10.3: "What is the one thing you think is most likely to change about your role going forward? "

- Four groups of answers predominate: (1) Age related: we are all getting older. (2) Increased time needed to fulfil trustee duties. (3) End game is looming. (4) Changes to formats for meetings: face to face or virtual.

Q39. What is your long term funding target?

93 responses



Q40. What is the one thing you think is most likely to change about your role going forwards? Please specify

81 responses

Other - please give details

1 response

A lot more meetings (virtual) and less time/money spent on face to face meetings. This will both improve decision making process, and cut costs
Will retire on buyout c5 years
More virtual meetings
More specific training
Increased workload
Less predictable environment
I am determined to do something to help the DB pensioners who get no discretionary increases so my role as a Trustee likely cease!
My age and ability to travel to take part in face-to-face meetings are not improving
It will get harder!
More Time Required
More Technical
Its going to get even more difficult to secure self sufficiency in a reasonable timescale.
Increased focus on ESG
Workload
Don't anticipate much change
No step change in the next five years
Unlikely to have a role as the sponsoring employer is looking to replace all the trustees with a sole trustee.
Get back to face to face interactions, I can't cope with any more webinars.
A lot more meetings using digital communications
MNTs are coming to a tipping point. Many in the industry want to downplay the MNT role. Major mistake, which could spell the end for current pension savings.
Upon buy-out in the next year or two, I will obviously cease to be a trustee
have a mix of Member nominated (voluntary) and professional Trustees
My job will come to an end!
Fewer face to face meetings and more meetings by webex
More time on regulatory requirements being imposed around ESG disclosures - new SIP/Implementation Statements, and public reaction to them
It will get more difficult and take more of my time
Increased push for formal qualifications
I do not anticipate any change
More virtual m,eetings
I don't foresee any likely changes unless we move to a Fiduciary Manager
We are on a journey plan which could end in 2 years in Buy Out

More Regulator involvement
Being ambushed by the unprecedented more frequently
Conduct of meetings: virtual or face to face?
strategic focus on the trustees to ensure long term support of the business as a key employer as well as supporting members
Working towards being a professional trustee
Less face to face meeting, more virtual interactions
More time spent talking to sponsor
Increasing attention to all areas
Ageing board; newer trustees lack the years of experience of older trustees.
I am approaching 72. If we can find a good younger person who wants to stand as a MNT, I will retire next time I am due for re-election.
Greater concentration on sector stability and potential effect on covenant
Very little
Scheme will wind up in about a year and my role will cease!!
Increasing use of meetings online.
I do not anticipate significant change
More responsibility due greater available time
Online meetings with less involvement from trustees
Increased accountability
Require more time as issues become more complex
Well-meaning innovations from TPR making the role ultimately unfulfilable and leading to my resignation as a trustee
Much less face to face meetings. Briefing/training opportunities and member communication mostly moving on-line.
A potential for more trustee meetings to respond to any emerging changes
Smaller and busier trustee body
A lot more digital meetings and face to face meetings reduced to 1 or to pa
At buyout I will stand down as the Trustee Board will be disolved.
Absolutely no idea! That's part of the attraction of the role - well, just look at how the role has changed over the last 30 years!
I'm not getting any younger. Less able to travel.
Scheme winds up and I cease to be a trustee
It will require a greater time commitment
Up for review next year - do I want to continue?
My age !
Increased risks involved in being an MNT will most like force me to step away as i cannot find the time to continue.
More difficulty in keeping up to date with new regulations and changes.
Buy out !!
Need for even greater technical knowledge
It will depend if our scheme closes at the end of the year as proposed by the sponsor
likely to see more focus on trustee professionalism - formal training etc
Further ongoing scrutiny (via specialists) of the covenant strength

About AMNT

amnt Association of Member Nominated Trustees

The Association of Member Nominated Trustees (AMNT) aspires to be a positive force and a prominent voice in the UK pensions industry today. We believe that given the inherently complex nature of UK pensions and the increasing burden being placed on trustees, that far more support should be made available to member nominees.

We are a not-for-profit organisation supporting member-nominated trustees, member-nominated directors and employee representatives of UK based pension schemes in the private and public sector (funded and unfunded).

Contact:

Call 07521 301 641

Email mail@amnt.org

www.amnt.org

About XPS

XPS Pensions Group is the largest pure pensions consultancy in the UK, specialising in actuarial, covenant, investment consulting and administration. The XPS Pensions Group business combines expertise, insight and technology to address the needs of more than 1,500 pension schemes and their sponsoring employers on an ongoing and project basis. We undertake pensions administration for over 920,000 members and provide advisory services to schemes of all sizes including 29 with over £1bn of assets.

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