

NORTHERN IRELAND POLICE PENSION BOARD

TERMS OF REFERENCE

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3.	2022	[annual review of Terms of Reference]	T/DP	T/G7	HPE 480641

1. INTRODUCTION

- 1.1 The Northern Ireland Police Pension Board (**PPB**) came into effect on 1 April 2015, in accordance with Article 4 of *The Public Service Pensions Act (Northern Ireland) 2014*.
- 1.2 The PPB will determine its own Terms of Reference subject to consultation with the Scheme Manager, on behalf of the Minister of Justice. The Scheme Manager for the Police Pension Schemes is the Northern Ireland Policing Board (hereafter referred to as the "**NIPB**").
- 1.3 The Terms of Reference will be reviewed on an annual basis. Any changes arising from such reviews will be subject to consultation with PPB Members and will be approved by the PPB.

2. PURPOSE AND AIMS

- 2.1 The purpose of the PPB is to assist the Scheme Manager:
- a) To secure compliance with –
 - i. *the Police Pension Regulations (Northern Ireland) 2015* (hereafter referred to as the "**2015 Regulations**")
 - ii. any other legislation relating to the governance and administration of the 1988, 2006 and 2015 Police Pension Schemes (hereafter referred to as the "**Police Pension Schemes**"); and
 - iii. any requirements imposed by The Pensions Regulator ("**TPR**") in relation to the Police Pension Schemes; and
 - b) In the performance of the Scheme Manager's functions under the 2015 Regulations.
- 2.2 The PPB's overriding aim is to ensure that members of the police pension schemes receive on time their correct benefits under the scheme rules. The PPB will wish to ensure, as far as is possible, good outcomes for all members of the police pension schemes in matters such as receiving excellent service.
- 2.3 The PPB will at all times work to protect the reputation of the Police Pension Schemes for effective administration and for proper use of taxpayers' money in accordance with such good practice guidance that may be issued by TPR.
- 2.4 The remit of the PPB explicitly excludes the Injury Benefit Scheme.

3. ROLES AND RESPONSIBILITIES OF THE PPB

- 3.1 The PPB will ensure that the Scheme Manager carries out the effective administration of the scheme by close scrutiny of the level and quality of service provided for the membership and employers by the practitioner, other service providers and the Government Actuary's Department (hereafter referred to as "**GAD**").

- 3.2** The Scheme Manager and Scheme Administrator will report to the PPB about planned internal audits during the year and provide a copy of the audit reports, including Recommendations and Management Responses to Recommendations.
- 3.3** The Scheme Administrator will report to the PPB about the effective financial management including contribution collection, financial forecasting, debt management; and that beneficiaries receive the benefits to which they are entitled under the rules of the scheme and production of annual scheme accounts.
- 3.4** The PPB will benchmark in line with regulatory requirements (e.g. TPR).
- 3.5** The PPB will review the development of processes and systems by the Scheme Manager to incorporate any new statutory requirements.
- 3.6** The PPB will ensure compliance by the Scheme Manager to data management requirements.
- 3.7** The PPB will respond to any requests/directions made by TPR.
- 3.8** The PPB will monitor the compliance with reporting breaches of the law to TPR when they have reasonable cause to believe that:
- a) a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and
 - b) the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.
- 3.9** The PPB will provide notification to the Scheme Advisory Board where actual and potential breaches are reported.

4. MEMBERSHIP

- 4.1** The PPB will be set up in compliance with *The Public Service Pensions Act (Northern Ireland) 2014* and the 2015 Regulations.
- 4.2** The Scheme Manager will appoint the Chairperson of the PPB, subject to Department of Justice approval.
- 4.3** The PPB will consist of the following:
- a) One independent Chairperson (voting member);
 - b) Three member representatives (voting members) selected from nominations put forward from member organisations;
 - c) Three employer representatives (voting members who will be at least Grade 7) selected from nominations put forward by employer organisations;

- d) Additional membership (up to 2 Independent (non-voting) Members) will be decided further to consultation with the Chair and subject to approval by the Scheme Manager.

4.4 Members of the PPB will represent the interests of all of the Police Pension Schemes beneficiaries, the participating employers and provide effective oversight and management of the Police Pension Schemes rather than the interests of any one party.

4.5 **Appendix A** of these Terms of Reference details PPB members Terms and Conditions.

5. MEETINGS

5.1 Frequency: The PPB will meet four times a year and at such other times as the Chairperson decides is necessary. Wherever possible at least 10 working days' notice will be given of any non-scheduled meeting, however, for urgent meetings 5 working days' notice will be provided.

5.2 Format: Meetings can be conducted in person, over the telephone or via a tele-conference/video-link, as decided by the Chairperson. If the Chairperson is not present within fifteen minutes of the appointed meeting start time members will take a vote on who should chair the meeting. In these cases the individual chairing the meeting will not adopt the powers of the Chairperson and in particular will not have a casting vote.

5.3 Quorum: Four members of the PPB will represent a quorum for meetings. The Board members in attendance must include at least one employer representative and one member representative.

5.4 Attendance: The PPB can decide to ask its professional advisers, representatives from third party suppliers and any other person to attend its meetings to provide briefings on particular area of expertise. A senior NIPB official may attend Board meetings as an observer and to introduce papers and discussions, as necessary, with the agreement of the Chairperson.

5.5 If a member is unavailable to attend a meeting a substitute may attend in their place, subject to approval of the Chairperson. Substitute Members will not normally have a vote unless the named member they are attending for has provided a signed proxy detailing the matters or agenda items that the Substitute may vote on.

5.6 Decisions: All PPB Board members with voting powers will have a single vote and items arising at any meeting will be decided by a majority of members present and eligible to vote. In the case of an equality of votes the Chairperson will have a casting vote.

5.7 The PPB may agree on a decision outside of a meeting if the majority of voting members confirm their agreement either in writing or by electronic mail. Any

such decision will be as valid and effective as if it had been passed by a meeting of the PPB.

- 5.8 Papers: The PPB Secretariat must circulate all meeting papers at least 5 working days in advance of any meeting (unless a shorter period is agreed by the Chairperson).
- 5.9 Minutes: Draft minutes are to be forwarded to the Chairperson for agreement within 20 working days of a meeting.
- 5.10 Conflict of Interest: Members have a duty to notify the Scheme Manager as and when a potential, perceived or actual conflict of interest, in line with their terms and conditions of appointment. On notification, the Scheme Manager, in conjunction with the Chair, will consider the reported potential, perceived or actual conflict of interest and decide, what, if any, action may be taken.
- 5.11 There will be a standing agenda item for every meeting on the declaration of conflict of interests for any matters arising.
- 5.12 Members will be responsible for registering any conflicts of interest with PPB Secretariat on an annual basis, by reviewing their Register of Interests, in accordance with the Conflict of Interest policy, which will be managed by the Scheme Manager as per Regulation 13 of the 2015 Regulations.
- 5.13 Unscheduled meetings: Any meetings undertaken by the Chairperson outside of the four scheduled meetings should be reported to the PPB under Chairs Business.
- 5.14 Expenses: If any foreseeable costs are incurred (travel & subsistence) the relevant NIPB official should be consulted, particularly if they relate to a meeting outside of the formal schedule of meetings.

6. COMMITTEES AND SUB-GROUPS

- 6.1 The PPB may establish such committees and sub-groups as it sees fit. The PPB will decide whether the sub groups/committees need to have separate Terms of Reference.
- 6.2 The PPB will agree, and can amend, each sub group/committee's Terms of Reference.
- 6.3 The PPB will appoint and remove members of the committees/sub groups. The PPB may, as it sees fit co-opt persons who are not members of the PPB to serve on its sub-groups/committees. Such persons need not be representatives of members, employers or the NIPB.
- 6.4 The PPB Chairperson will appoint a PPB member as the Chairperson of each sub-group.

6.5 The quorum for Committees and Sub-Groups will be agreed at the time.

7. AUTHORITIES AND RESTRICTIONS

7.1 The Scheme Manager will consult and take into consideration the views of the PPB on matters that will materially affect the cost and/or the range and quality of services provided by the administration. The Scheme Manager will remain responsible for all contractual agreements and any proposed changes, and for the commissioning of any additional work by third parties.

8. REPORTING

8.1 The Chairperson of the PPB will provide a report annually, for information purposes, on the PPB's activities which will be published on the PPB section of the NIPB website.

9. THE EMPLOYER

9.1 The PPB will be responsible for overseeing and constructively engaging with the employer who participates in the Police Pension Schemes arrangements with regard to the correct provision of data and contributions.

10. REMUNERATION AND EXPENSES

10.1 Members of the PPB nominated as employer representatives who are currently employed by an organisation covered by the Police Pension Scheme arrangements would normally be expected to claim any expenses from their employer.

10.2 Similarly, members of the PPB nominated by member representative organisations would normally be expected to claim any expenses from their nominating organisation.

10.3 The Chairperson appointed by the Scheme Manager will be paid expenses at a per diem rate, as defined by the Department of Finance's circular on the remuneration of chairmen and members of public bodies and other fee rates – annual and daily rates.

11. SECRETARIAT

11.1 The Scheme Manager will provide Secretariat support to PPB. Duties of the Secretariat include:

- a) arranging and managing the meetings of the PPB;
- b) preparing or commissioning papers for the PPB to consider;
- c) drafting papers/reports on behalf of the PPB.

11.2 Prior to actuarial valuation of the Police Pension Scheme, the Scheme Actuary (GAD) assumptions may be provided to the PPB for information.

TERMS AND CONDITIONS OF NORTHERN IRELAND POLICE PENSION BOARD MEMBERSHIP

1. A change of appointment of representatives by member or the employer organisation should be requested via the Chairperson and are subject to Scheme Manager approval.
2. Each member should make best endeavours to attend all scheduled PPB meetings and details of attendance at meetings will be published in the Annual Report. Where ad hoc meetings are called, all PPB members should make best efforts to attend.

Appointment and Removal

3. Chairperson: The Chairperson will be appointed by the Scheme Manager and approved by the Department of Justice.
4. Member Representatives: The Police Federation for Northern Ireland, Superintendents' Association of Northern Ireland and Chief Police Officers Staff Association will be invited to nominate one candidate each in writing to be put forward into the selection process for members of the PPB. Appointments will be made by the Chairperson, subject to Scheme Manager approval.
5. Employer Representatives: The Northern Ireland Policing Board and Police Service of Northern Ireland will be invited to nominate two and one candidate each (of at least Grade 7 or above) respectively in writing to be put forward into the selection process for members of the PPB. Appointments will be made by the Chairperson, subject to Scheme Manager approval.
6. Independent Members: The Chairperson, with Scheme Manager approval, may invite and consider nominations for Independent Members, based on the candidates' role within public sector pensions and finance.
7. Conflicts of Interest: Individuals nominated to the PPB must complete the Conflict of Interest questionnaire and provide any reasonable information requested by the Scheme Manager for assessment of conflicts of interest. On appointment and annually PPB Members must notify the Scheme Manager of any Interests. When a potential, real or perceived conflict of interest arises, the Scheme Manager, in conjunction with the Chair, will consider the reported potential, perceived or actual conflict of interest and decide, what, if any, action may be taken. Failure to disclose information for determination of a conflict of interest may result in a PPB Member's termination.
8. Termination: The Scheme Manager may terminate the appointment of any

PPB Member, including the Chairperson, at any time.

9. Members may resign from the PPB by giving a minimum of one months' notice in writing to the Chairperson.
10. The Chairperson of the PPB will ask the Scheme Manager to consider the removal of any member of the PPB, if all the other voting members unanimously agree to this course of action.
11. The Scheme Manager will consider concerns raised by PPB members in relation to the:
 - a) Chairpersons attendance;
 - b) Chairpersons performance;
 - c) Conflict of Interests.

Terms of Office

12. The appointment of the Chairperson will be initially for a three-year term, with the potential of a two year extension.
13. The Chairperson will not hold office for more than two terms.
14. The tenure of any member or employer representative appointments will coincide with the time the individual holds the relevant post.

Induction and Training

15. On appointment, all PPB Members are asked to notify to the Scheme Manger details of any relevant training they may have attended
16. PPB members will receive induction training to gain an up-to-date and working knowledge of the Police Pension Scheme arrangements, and this training will be arranged within six months of new appointments to PPB. PPB Members may also be required to undertake further training on appointment to PPB and the Scheme Manager will advise of the relevant details.
17. PPB Members must keep their knowledge up to date and notify PPB Secretariat of all training attended so that a written record of their relevant training and development during their appointment can be maintained.
18. PPB Members will be conversant with scheme documents; TPR's Code of Practice; and any other relevant documents and have appropriate knowledge and understanding of the scheme rules and the principles of Police Pension Schemes funding.