

# Member Nominated Trustees

Member Nominated Trustees are the representatives of pension scheme members sitting on the Trustee Boards of pension schemes. The Maxwell scandal showed us how important it is for there to be proper scrutiny of employers' control of pension schemes and trustee representation gives members a real say in how their schemes are run.

At LTU we believe that Member Nominated Trustees are more effective when they are not isolated individuals but have the full resources and support of a strong trade union. Our recent campaigns highlighting the underperformance of SWIP in the management of the Lloyds TSB pension funds and on the pension scheme deficits have underlined how important it is to have that support.

## Democratic Deficit

Whilst members of the Lloyds TSB Group No 1 and Offshore Banking Pension Schemes have had the opportunity to stand and vote in elections those basic democratic rights have been denied members of the Lloyds TSB No 2 Pension Scheme. Instead of opting for a straightforward election, which is what happened for Lloyds heritage staff,

the Bank opted out and reached an agreement with Unite on the appointment of Member Nominated Trustees for the No 2 Scheme. At the time we said that it was totally unacceptable that TSB heritage staff are denied the legitimate right to choose their Member Nominated Trustees.

The Pensions Act 2004 introduced new requirements relating to Member Nominated Trustees which came into force on the 6th April 2006. The No 1 Pension Scheme complies with the legislation but the No 2 Pension Scheme doesn't and the existing trustee structure will need to change.

The new legislation keeps the main requirement that at least one-third of the Trustees of an occupational pension scheme must be Member Nominated Trustees. However, some of the new requirements are less prescriptive than the old regime and lay down few requirements for the selection of Member Nominated Trustees. It is that lack of prescription that is the problem with the new legislation.

The reality is that most pension schemes employers will have chosen to appoint the majority of trustees and these trustees alone

are now responsible for ensuring that MNT's are appointed or elected. In Lloyds TSB the Trustees have decided to put in place a selection and election process and have resisted straightforward democratic elections based on one member, one vote. Whilst they can do that and are operating within the law and have moved away from appointment of MNT's based on selection only, we believe that straightforward democratic elections would be a fairer and more transparent system.

## New Arrangements

There will be 11 Trustee Directors for each Pension Scheme. For the No 2 Pension Scheme, the structure which will need to change most because it doesn't comply with the current legislation, 2 member Trustee Directors will be appointed by the Unions and 2 will be elected by the membership. The structure for the No 1 Fund doesn't need to change until 2009 but the Bank wants to appoint an independent trustee and it will be necessary to appoint 1 more Member Trustee Director.

It is open to all members of the No 1 and No 2 Pension Schemes to stand for election and they will be required to complete a nomination form. Nomination forms will then go to a selection panel, which will include a representative from LTU, who will decide which candidates should take part in the elections. The Electoral Reform Society will carry out the elections, which are likely to take place in March.

## Nominations

LTU's Executive Committee will be putting forward one candidate for the Lloyds TSB No 1 Pension Scheme and two for the Lloyds TSB No 2 Pension Scheme.

### **No 1 (Lloyds Bank) Pension Scheme**

**Keith Cullup (Retired)** - Keith works for LTU as a Consultant in individual case representation and was previously Senior Manager at Slough Central Branch until his retirement. Keith was Chairman of the Union and a member of the Executive Committee for many years. He has also served as an Employment Tribunal member and is a member of the Individual Review Panel for Oxford County Council.

### **No 2 (TSB Bank) Pension Scheme:**

#### **Richard Smith (Senior Personal Banking Manager)**

- Richard has been a key member of the Union's Salesforce Negotiating Committee for 9 years. Richard has worked in the Bank for 20 years.

**Joy Taylor (Retired)** - Joy has also worked for LTU as a Consultant in individual representation since 2005. Joy was previously Senior Manager in the Harassment/Bullying Unit and worked in the Bank for 32 years.

In the case of a contested election the Union's Executive Committee will then be seeking the support of all members of LTU in ensuring the election of our nominations onto the Lloyds TSB No 1 and No 2 Trustee Boards.

**Mark V Brown**  
Assistant General Secretary