

# Members' Panel

## Terms of reference



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## 1. Remit

The Members' Panel will provide an advisory role to the Trustee (NEST Corporation) on the operation, development or amendment of the scheme from the perspective of scheme members and potential members (section 69, Pensions Act 2008).

To participate in the recruitment and selection of Trustee Members of NEST Corporation (article 5, NEST Scheme Order 2010).

## 2. Responsibilities

### Review of functions

Under the NEST Rules (rule 5.4.2) the Terms of Reference must document:

- a) the functions of the panel;
- b) matters relating to the administration and operation of the relevant panels consistent with their functions.

The functions of the panel as set out in the Pensions Act 2008, NEST Order 2010 and the NEST Rules will be:

- To provide comments to the Trustee where the panel is consulted on the preparation or revision of the statement of investment principles (SIP)(article 8(2)(e)(iii) of the Scheme Order).
- To give any assistance or advice that the Trustee may require or that the panel may consider expedient, in connection with the operation, development or amendment of the scheme (article 8(2)(e)(iv) of the NEST Order). Where the panel identifies areas for discussion/consideration these should be raised with the panel Chair in the first instance. The panel Chair will then raise this with the Trustee for consideration.
- To be consulted by the Trustee before the Trustee gives consent to the Secretary of State for Work and Pensions on changes to the NEST Order 2010 (section 71(4) of the Pensions Act 2008).
- To be consulted by the Trustee before the Trustee makes any rules under Section 67 of the Pensions Act 2008 and before the Trustee gives consent to the Secretary of State for Work and Pensions (section 72(8)(a)(b) Pensions Act 2008).

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- To participate in the process for the appointment of an individual as a Trustee Member or Chair of NEST Corporation as set out below:
    - Provide comment to NEST Corporation in respect of any job description or selection criteria that the corporation proposes to use;
    - The panel must nominate one of its members to participate in any meeting or other discussion that is to be held by the corporation with respect to the creation of a shortlist of candidates, and in any interview of any candidate
    - The corporation must supply the nominated member (as per the above) with a copy of any documents that the corporation is to consider when it decides who should be included in the shortlist, or who should be appointed, and must take into account any views expressed by that member before it makes a decision.
  - To report to the Trustee on the exercise of the panel's functions as set out in the format below, or any other format requested by the Trustee:
    - Minutes from the panel meetings to be reported to the trustee member meetings
    - At the request of the trustee members the chair or another panel member may be called to give a report to the trustee member meeting.
  - In each financial year, make a report on the extent to which the Trustee has taken into account the views of members of the Scheme and the views of the members' panel (with respect to views which the panel is able to express pursuant to its functions), when the Trustee makes decisions about the operation, development or amendment of the Scheme.
  - To be consulted by the Trustee before they:
    - determine the method of calculating how to make deductions from members accounts (i.e. the charge structure) (once the initial period<sup>1</sup> has ended)
    - make changes to the level of deductions from members' pension accounts.

### 3. Terms of reference

These Terms are made under the National Employment Savings Trust Order 2010 and the Rules of the National Employment Savings Trust 2010. The Trustee must ensure that the terms of reference are reviewed at such intervals, and on such occasions, as the Trustee may reasonably determine and, if necessary revise. A copy of the terms of reference will be available on the NEST Corporation website.

### 4. Procedures

#### Meetings

The Panel will aim to meet around 4 times a year. Apologies for absence for any meeting of any category shall be given in advance to the Secretariat.

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<sup>1</sup> The Secretary of State must determine the method of calculating how to make deductions during an initial period and for how long the initial period applies.

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The Panel Members can request additional meetings through the Chair of the panel.

Individuals who are unable to attend a meeting are invited to raise any points with the Chair in advance of the meeting to which they relate. The use of telephone conferencing will be permitted.

## Quoracy

The quorum for Panel meetings will be 4 Panel Members.

## Agendas

Agendas and papers will generally be circulated with the aim of being received by 5 working days before the meeting date, which will confirm the timings and location. Panel Members may at any time suggest items for the agenda either to the Chair or via the Secretariat provided that they notify such items as early as possible (particularly if preparation of relevant papers is required). Once an agenda has been finalised, exceptional matters of business will be considered at the actual meeting itself under 'any other business' at the Chair's discretion.

The tabling of papers without notice is unacceptable. Exceptions may be made for urgent issues and/or where there are rapidly changing situations and any meeting will be adjourned for enough time to allow consideration of any associated papers before any decision would be taken.

Trustee Members can propose items for inclusion on the agenda, this will be discussed and agreed with the Panel Chair.

## Voting rights

A Panel Member may call for a vote. Where necessary, voting will be by a show of hands and in any equality of voting the Chair of each meeting shall have the casting vote. A full record of voting will be included in the Minutes of that meeting.

## Secretariat Support

All meetings will be provided with a Secretariat service managed by the General Counsel.

The Secretariat will maintain Minutes and other records associated with the Panel meetings, in accordance with NEST's current records management and retention policies.

## Minutes

The Secretariat shall minute the proceedings and resolutions of all meetings. Minutes will record decisions reached including specific actions requested by the Panel Members, reports considered and where appropriate the main points of discussion and will provide sufficient 'clear' background to those decisions for perpetuity.

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## 5. Confidentiality

Written material provided to and discussed by the Panel and invited attendees from other organisations at any meeting, and that has not been published, is considered to be confidential to NEST. All Panel Members will be expected to adhere to NEST's security policy on data (in compliance with ISO27001).

In addition, the NEST Corporation, as an NDPB, is subject to any confidentiality and security requirements imposed by the Cabinet Office or the Departmental Steward as specified in the Framework Agreement<sup>2</sup>.

In as much as it is exempt from disclosure under the FOI Act, such material, and any other matters which the Chair of a meeting deems to be confidential, shall not be disclosed to any parties external to NEST. If in doubt the Panel Chair should consult the Secretariat.

All written material relating to the Panel meetings may be subject to the Freedom of Information Act 2000. Some items may be published through NEST's publication scheme. Information that is not published will be considered for release on request, subject to the exemptions from release allowed for under the Act<sup>3</sup>.

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<sup>2</sup> We are establishing if this applies

<sup>3</sup> *ibid.*