The UBPAS Trustee board and advisers

UBPAS is governed by a Trustee board comprising:

4 Trustees nominated by the University:

- Jonathan Lord - the independent chairman
- Len Hall
- Robert Kerse
- Andy Nield

3 Member Nominated Trustees (“MNTs”):

- Tony Macdonald
- Pat French
- Matti Punt

Matti Punt has recently joined the Trustee board, replacing John O’Hara as a Member Nominated Trustee (“MNT”). We would like to thank John for his many years of commitment to UBPAS and his contribution to the board.

Matti has been working with the Scheme’s advisers to build up his knowledge of the Scheme and his role as a Trustee, and we wish him all the best with his new role.

The board takes advice from specialist advisers. Osborne Clarke provide legal advice, Willis Towers Watson are the Scheme’s Actuary and Mercer (recently appointed – see below) advise on the Scheme’s investments. All 3 advisers are present at the quarterly Trustee meetings. A sub-committee of the Trustees considers investment decisions alongside the main board and reports at Trustee meetings.

A summary of key UBPAS activities over the year

Changes to how pensions build up for active members

For active members of the Scheme still in service with the University, there have been changes that affect how pensions build up (or “accrue”), following consultation with active members. There were previously 3 different choices for accrual rates and contributions, and from 1 February 2017 this was changed to 6 choices.

It was also agreed this year that the Scheme will be closed to future accrual of benefits for active members on 31 December 2019.

New investment adviser

The Trustees have reviewed the investment advisers of the Scheme and have engaged Mercer to advise on investment strategy. As well as providing investment advice, it is expected that in the longer term Mercer will look after the day-to-day management of the assets of the Scheme in line with instructions provided by the Trustees, which will allow for more timely transactions to be made, and allow the Trustees to focus more on setting the investment strategy for the Scheme.

Swapping smaller pensions for a cash lump sum

Pensions below a certain amount are allowed to be swapped for a cash lump sum. The Scheme recently contacted eligible members to see if they wanted to take up this option. For the members that chose to take a cash lump sum instead of their pension, payments were made in September 2017.
The Scheme's assets are split 70% in 'growth' assets and 30% in 'matching' assets. The growth assets are mainly held in a diversified mix of equities, bonds and property and are invested with the aim of increasing in value by more than the increase in value of Scheme benefits and therefore reducing the shortfall of assets relative to these benefits. The 'matching' assets help protect the Scheme's funding position from changes in the market conditions, which will in turn assist with stabilising the contributions required from the University to fund any shortfall.

Over the year the Trustee has made changes which have reduced further the sensitivity of the funding level to changes in interest rates, inflation and exchange rates.