



**CRONFA BENSIWN
POWYS
PENSION FUND**

**MEMBER KNOWLEDGE & TRAINING
NEEDS SELF-ASSESSMENT FORM**

Last Reviewed November 2020

Introduction

In accordance with the requirements of the Public Service Pensions Act 2013, the CIPFA Knowledge & Skills Framework and the policy adopted by the Powys Pension Fund in July 2015, members of both the Pensions & Investment Committee and the Pension Board are required to have knowledge and understanding of:

- pensions legislative and governance context
- pensions accounting and auditing standards
- financial services procurement and relationship management
- investment performance and risk management
- financial markets and products knowledge
- actuarial methods, statements and practices.

They are also required to be conversant with the Powys scheme and policy documentation.

This self-assessment is designed to help Members to identify their current level of knowledge and in which areas they may need further training or development.

Completing the Self-Assessment

When completing the self-assessment, it is important that you assess your own level of knowledge as accurately and as honestly as possible so that your specific and personal development and training needs can be identified. Please assess your knowledge and understanding of each aspect, by ticking the appropriate box against the following scale:

Tick Box	Knowledge	Experience
A	Detailed understanding	Fully competent in the subject to a high level of detail
B	Reasonable understanding	Reasonable level of knowledge / competence in the subject
C	Limited understanding	Some knowledge or exposure to the subject
D	Not sure	No / limited knowledge or exposure to the subject

Please complete the self-assessment. Should you have any queries in relation to any aspect of the self-assessment, please contact the Pension Fund Manager.

MEMBER KNOWLEDGE AND TRAINING NEEDS SELF-ASSESSMENT

Name:

I am a Member of (delete as required):

PCC Pensions & Investment Committee / Powys Pension Board

Section A: Legislation

Members are required to have a general (rather than in-depth) knowledge and understanding about the legislation relating to pensions in general.

1. The law relating to pensions.

This includes occupational pensions' legislation (in outline) and the key provisions of related legislation that affects the Powys Pension Fund and impacts on the roles and activities of the Members of either the Pensions & Investment Committee and/or the Powys Pension Board.

I have knowledge and understanding of:		A	B	C	D
1.1	<u>Occupational pensions legislation:</u> Including: key provisions of the Local Government Superannuation Act 1972, the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, Pensions Act 1995, Public Service Pensions Act 2013, Codes of practice and guidance issued by The Pensions Regulator.				
1.2	<u>The tax privileges and requirements for occupational pension schemes:</u> Including: the relevant provisions of the Finance Act 2004 e.g those that set the conditions to be met by a Registered Pension Scheme; allow personal pensions and occupational pensions to run concurrently; Fund obligations in respect of scheme payments (both authorised and unauthorised) and in relation to Lifetime and Annual Allowances.				
1.3	<u>Pensions related legislation:</u> Including: anti-discrimination; arrangements for giving advice on pensions; civil partnerships; local government compensation arrangements; data protection;				

	employment rights; money laundering; parental leave; divorce.				
1.4	The specific powers of the Secretary of State in the event of a disagreement between the Pension Fund and one of the participating employers.				
1.5	<u>Dispute resolution:</u> Including: the Internal Disputes Resolution Procedure of the LGPS; the role of the Pensions Advisory Service; the Pensions Ombudsman.				
1.6	<u>The law relating to internal controls and sound administration:</u> Including the obligation to administer the scheme in accordance with legal and regulatory requirements, such as those imposed by the Disclosure of Information Regulations.				
1.7	<u>The interface between occupational schemes and state pension provision:</u> Including the implications of contracting out and the relationship between pension scheme benefits and means tested state benefits.				
1.8	The obligation on employers to offer a qualifying scheme for all employees under Automatic Enrolment regulations				
1.9	An understanding of how the roles of the Pensions Regulator, Pensions Advisory Service and the Pensions Ombudsman relate to the working of the scheme.				

Section B: Funding and Investment

Members are required to have knowledge and understanding about the principles relating to the funding of occupational pension schemes and the investment of the scheme's assets.

2. Investment.

This includes the major asset classes and their risk profiles as well as information about other asset classes and the principles of risk and reward.

I have knowledge and understanding of:		A	B	C	D
2.1	<u>Capital markets:</u> Including: in broad terms, the effect of economic cycles.				
2.2	<u>The major asset classes and their characteristics:</u>				

	Equities, Bonds, Property, Cash				
2.3	<u>The implications of overseas investment:</u> Including foreign exchange risk and political risk				
2.4	<u>The existence of other asset classes, instruments and techniques:</u> Including: amounts used as an asset class; default funds and life-styling arrangements (DC); with profits arrangements.				
2.5	<u>The balance between risk and reward:</u> Including: the nature of risk; risk/reward profile of each major asset class; basic principles of matching assets to liabilities (DB); the basic principles of matching assets to pension expectations (DC); basic principles of managing risk by diversification of asset classes.				

3. Funding.

This includes the principles relating to the way in which funding is dependent upon the contributions and the value of the liabilities of the scheme.

I have knowledge and understanding of:		A	B	C	D
3.1	How the funding for occupational defined benefit arrangements works in general and specifically for the LGPS.				
3.2	<u>How liabilities are valued for different purposes:</u> Including: the significance of future cash flows; the importance of assumptions and their impact; the volatility of the value of liabilities.				
3.3	How the market value of assets is assessed.				
3.4	<u>Funding measures:</u> Including: the measurement of liabilities; the setting of contribution rates (e.g recovery plan in the event of a deficit).				
3.5	<u>Potential risks to the ability of the scheme to pay benefits:</u> Including: the financial instability of any scheme employer; transferring liabilities to a new employer; unusually high salary increases; the volatility of assets relative to liabilities.				

3.6	<u>The importance of complete, accurate and up-to-date member data:</u> Including the need for robust processes and systems; the need for employers to be aware of and accept their obligations.				
3.7	<u>The impact of discretionary powers:</u> Including the impact of employer decisions e.g. augmentation.				
3.8	<u>The nature and status of professional advice.</u>				
3.9	<u>Transfers and bulk transfers in and out of the scheme:</u> Including: the responsibility of the Fund to decide upon the calculation of transfer values.				
3.10	A broad understanding of the implications of accepting new employers into the Fund and of the cessation of existing employers.				
3.11	An awareness of the importance of monitoring early and ill-health retirement strain costs.				

4. Contributions.

This includes the principles relating to the funding of schemes and the way in which contribution levels are dependent upon the funding of the scheme.

I have knowledge and understanding of:		A	B	C	D
4.1	The nature of the employer/trustee and the effect of the scheme's funding level on scheme employers.				
4.2	The way in which an employer's admission agreement reflects their ability to fund the scheme.				
4.3	The calculation of regular contributions to fund liabilities for future accruals.				
4.4	The setting of special contributions for past service, including agreement on a recovery plan.				
4.5	<u>Member contributions including:</u> regular and additional contributions (e.g. AVCs and APCs); other concurrent member pension arrangements (e.g. FSAVCs, personal pensions and stakeholder pensions); the timelines of payments to the scheme; the importance				

	of complete, accurate and up-to-date member records; the importance of robust systems and processes.				
4.6	The role of the scheme employer in the calculation and collection of member contributions.				

5. Strategic Asset Allocation.

This includes the principles relating to the suitability of different asset classes to meet the liabilities of the scheme.

I have knowledge and understanding of:		A	B	C	D
5.1	<u>The process of strategic asset allocation including:</u> the importance of selecting an appropriate mix of asset classes and taking account of the correlation between them and the Pension Fund's investment objectives.				
5.2	The characteristics of alternative asset classes and financial instruments.				
5.3	The use of specialised investment techniques including liability driven investment arrangements.				
5.4	Reviewing asset allocation decisions including regular review and the response to any change in the maturity or the status of the scheme.				

6. AVC Investment Choices.

This includes the principles relating to the choice of investments.

I have knowledge and understanding of:		A	B	C	D
6.1	<u>The implications for scheme members of the investment strategies adopted by the Fund's chosen AVC providers including:</u> whether or not the providers offer investment choices to members; the range of investment choices where they are offered; the suitability of investment choices offered; the implications of a default investment choice; the implications of life styling as a default investment choice.				
6.2	The importance of member understanding of investment risk.				

7. Fund Management.

This includes the principles of fund management and how performance can be measured.

I have knowledge and understanding of:		A	B	C	D
7.1	<u>The structure of investment portfolios including:</u> active vs. passive management; pooled funds v. segregated portfolios; re-balancing portfolios; and, investment styles.				
7.2	The selection of fund managers.				
7.3	<u>Investment mandates including:</u> an understanding of the nature of the contractual relationship between Pensions & Investment Committee and the Fund's asset managers; and, the fee structure and charges.				
7.4	Measurement of performance including the use of indices, benchmarks and targets.				
7.5	The mechanisms for monitoring investment arrangements and investment managers, including reports from investment managers; implications of changes within investment managers' organizations; compliance with the investment strategy statement (ISS); the completeness and accuracy of records; the calculation and the impact of charges and fees; transitional asset management; robust processes and systems.				
7.6	The importance of sound custody arrangements including adequate monitoring and accurate record keeping.				
7.7	The importance of responsible ownership of assets including the extent to which social, environmental and ethical considerations are taken into account when making investment decisions; the corporate governance of the companies in which the Fund invests; the extent to which (if at all) the Fund will exercise its voting rights; and the Fund's membership of the Local Authority Pension Fund Forum (LAPFF).				
7.8	The Myners principles for the governance of the investment decision making process including associated CIPFA and SOLACE guidance; the need to set targets				

	for the Pensions & Investment Committee and to report against them.				
7.9	An awareness of the limits placed by regulation on the investment activities of the Fund.				

Section C: Scheme Documentation

Members need to be familiar with the documents that are specific to their own scheme so that they are able to make use of these documents in carrying out their functions.

8. The Local Government Pension Scheme Regulations.

This includes any subsequent amending regulations.

I have knowledge and understanding of:		A	B	C	D
8.1	The duties, powers and discretions of the Pension Fund.				
8.2	The balance of power between the Fund Employers and the Pension Fund including when it is appropriate to exercise various Pension Fund powers.				
8.3	Classes of members in the scheme including membership eligibility criteria.				
8.4	Benefits under the scheme including the circumstances, both current and historic, under which benefits are payable; how they are calculated and how payments are made.				

9. Investment Strategy Statement (ISS).

I have knowledge and understanding of:		A	B	C	D
9.1	Roles and responsibilities for preparing the ISS				
9.2	The Fund's investment objectives and asset allocation strategy.				
9.3	The contents of the ISS including legal and regulatory requirements covering the contents of the ISS.				
9.4	Monitoring and updating the ISS as appropriate.				

10. Funding Strategy Statement (FSS).

I have knowledge and understanding of:		A	B	C	D
10.1	Responsibilities for preparing the Funding Strategy Statement.				
10.2	The Fund's statutory and strategic funding objectives.				
10.3	Contents of the Funding Strategy Statement.				
10.4	Monitoring the Funding Strategy Statement including regular monitoring and special review in the event of change.				

11. Other scheme documentation.

This includes the Fund's Annual Report & Accounts as well as scheme guides and leaflets issued to scheme members on all aspects of the Local Government Pension Scheme.

I have knowledge and understanding of:		A	B	C	D
11.1	Scheme guides, leaflets and other member communications.				
11.2	Principle results contained within the most recent Actuarial Valuation Report and subsequent actuarial advice including the deficit recovery plan; and, the importance of inter-valuation monitoring.				
11.3	Minutes of Fund related meetings and the importance of policies and issues contained within them.				
11.4	Stewardship reports including compliance issues.				
11.5	Internal and external audit reports, including checks on the adequacy and robustness of systems and procedures used in member communications.				
11.6	The Fund's Annual Report & Accounts.				
11.7	Agreements and contracts including those with professional advisers and service providers.				
11.8	Committee or Council approved policies and				

	procedures, including the internal disputes resolution procedure (IDRP), managing conflicts of interest, the Risk Register.				
11.9	Statement of compliance with the Myners' Principles.				
11.10	Terms of reference of both the Pensions & Investment Committee and the Pensions Board.				
11.11	Pensions & Investment Committee and Board member skills audit, training needs analysis and training log.				

12. Comments.

Please use this space to record any comments or to add any further training or knowledge needs for which you think training would be appropriate.