

## Checklist: Trustee Union Accountability

### Be open

Being open means choosing ways of working that are clear to everyone and not trying to hide anything. Openness protects those involved in safeguarding a pension plan and increases the confidence of everyone affected by the plan.

- ☐ Do your plan's confidentiality policies protect true privacy rights (for example about individual plan members), and not place unnecessary restraints on openness and accountability?
- ☐ Do plan members, employers, employees, retirees and unions have easy access to clear and precise information?
- ☐ Are there reporting/accountability lines between union trustees and committee members and the appointing body?

### Set up a good filing system

Pension committee members and local executives need to keep track of pension-related files, in a way that survives changes in union leadership and pension committee members.

- ☐ Do local executive and the pension committee representatives have separate pension files?
- ☐ Do pension committee representatives have access to the history they need in the union's pension files?
- ☐ In the case of boards with fiduciary duty, do the pension committee representatives keep confidential files, and pass them on to their successors?
- ☐ In the case of advisory committees, are the committee representative's files kept with the local files?
- ☐ Whether paper or electronic, are pension files kept in a way that manages security, privacy and access?

### Designate an executive liaison the union's trustee/committee member

Having at least one member of the executive (who is not a trustee/committee member) paying attention to the pension plan – along with trustees/committee members – is a good way to ensure effective stewardship.

- ☐ Is there someone on the local executive who makes sure they are up to date about the plan?

- ☐ Is there regular contact between the executive liaison and the pension trustee/committee member to get information and reports about the plan administration and performance?
- ☐ Does the liaison provide support and advice to the pension trustee/committee member as needed?

**Make “Update on Pension” a standing item on the agenda of executive and membership meetings**

Members need to be aware of what is going on with their pension plan, especially in times like this, when all plans are facing funding challenges. Talking about the plan more, is a way to break through the misconception that pensions are something the members have to leave “to the experts”.

- ☐ Do the members know who represents them on their pension plan?
- ☐ Does the trustee/advisory committee member attend all general membership meetings to give an update and answer questions?
- ☐ Does the trustee/advisory committee member prepare written reports for the executive and/or general membership meeting?
- ☐ Do they communicate with the executive when the plan is facing the possibility of significant changes?
- ☐ Do the trustee/committee member and the union executive have a shared understanding of when to contact the staff servicing representative for advice on dealing with a pension issue?

**Make sure that the plan’s confidentiality policy does not prevent sharing of important information with the union.**

Good governance of plans requires respecting privacy rights and confidentiality policies. Good confidentiality policies protect openness.

For example, trustees and committee members should never share information about:

- Individual plan members
- Proprietary information about plan service providers – for example about the plan’s contract or how their business operates
- Drafts of policies or valuations that have not been adopted yet.

On the other hand, the plan’s confidentiality policy should allow the sharing of information that is meaningful to the union, for example:

- The funding situation
- Upcoming changes to benefits

- Governance problems that are significant enough to endanger the viability of the plan
- Legislated changes that will affect the plan
- Membership changes that will affect the plan

- ☐ Does your pension plan have a confidentiality policy?
- ☐ Does the policy allow a practice of sharing meaningful information with the union(s)?
- ☐ Has the union executive seen the policy?

**Develop terms of reference for trustees/advisory committee members and attach them to the union's by-laws.**

Many union executives and members trust the union pension trustees/ advisory committee members to watch over the pension plan. Unfortunately, this sometimes results in things going wrong. The Board or committee makes a decision they don't like and suddenly they want to know why the trustee/advisory committee member didn't let them know what was happening and what they were doing.

The best way to prevent this scenario is by establishing and recording roles, responsibilities and expectations in by-laws and terms of reference.

- ☐ Has your union adopted terms of reference for your pension trustee/committee member and attached them to the by-laws?
- ☐ Do the terms of reference describe how the pension representative is appointed; their duties; accountability to the union members; reporting relationships; and how conflicts will be resolved?
- ☐ Are the terms of reference consistent with the plan text, trust agreement, and collective agreement?
- ☐ Are new trustees/advisory committee members shown the terms of reference before accepting the position?

## Sample Terms of Reference:

Canadian Union of Public Employees (CUPE) Local xxxx

Pension Committee Representative

Terms of Reference for a Member of an Advisory Committee

### **Mandate**

These Terms of Reference shall be interpreted in a manner consistent with the Collective Agreement, by-laws, policies and procedures of CUPE xxxx.

### **Appointment**

The CUPE xxxx Pension Committee representative (“the representative”) is selected by the executive of CUPE xxxxx to represent the local members on the xxxx Pension Committee.

The representative is appointed by the executive using the following process:

1. A call is put out to members for applications.
2. Interviews are held by a selection committee with applicants.
3. The final candidate is recommended to the executive for approval.

The representative will be appointed for a minimum term of XX years.

### **Responsibilities and duties**

When fulfilling his/her responsibilities, the pension representative is expected to respect and represent the aims of the local in general, as well as to meet all of his/her legal and fiduciary duties as they relate to the administration of the pension plan.

The responsibilities of the pension committee are set out in the (section in Plan Text and/or Trust Agreement). And the plan is regulated by (name of provincial legislation) and the Canada *Income Tax Act*.

As per the (relevant document), the pension representative:

1. Contributes to the determination of all questions in the administration of the plan, including the interpretation, application and review of the provisions of the plan. Decisions of the pension committee shall be subject to the approval of the (decision-making body).
2. Reviews the performance of the plan, including meeting with all investment counsel, and prepares recommendations concerning proposed changes to the plan.
3. Attends all meeting except for reasons such as illness or family emergency.

4. Exercises the care, diligence and skill with the administration and investment of the pension fund that any prudent person would exercise in dealing with the property of another person. Uses all the knowledge and skill that she/he possesses in the administration of the plan and acts in the best interests of all plan members.
5. Attends CUPE pension workshops, including pension trustee training, within the first two years of being appointed to position.

**Accountability to CUPE xxxx members**

The CUPE xxxx pension committee representative is accountable to the membership of CUPE xxxx for the following:

1. Understanding the requirements of the position.
2. Understanding CUPE xxxx and national pension policies, provincial and federal pension laws, collective agreement provisions on pensions, pension plan text, trust agreement and other related documents.
3. Taking members' concerns and questions to the pension committee.
4. Reporting regularly to members by:
  - Attending all general membership meetings to report on issues related specifically to the pension plan as well as general pension issues
  - Submitting a written report at least once a year to local members as part of the local's annual report
  - Reviewing, and/or recommending changes to, all communication from the local to CUPE xxxx members related to the pension plan.
  - Submitting information or articles to the local newsletter
  - Maintaining and updating information about the pension committee and pension plan on the local website.
  - Meeting with the local executive on a quarterly basis to report on the quarterly performance of the plan and the administration of the plan, and to educate the executive on the plan and other pension issues.

**Reporting relationships**

The executive will designate one executive member to act as the liaison between the representative and the executive. The executive liaison will communicate with the representative on at least a quarterly basis in order to receive information and reports about the plan administration and performance.

Any disputes over the meaning of these Terms of Reference will be decided by the local executive. The pension representative will be present at the meeting.