

NATIONAL PENSIONS REGULATORY AUTHORITY



NPRA/GD/IDT/01/11

GUIDELINES FOR TRUSTEES (INDIVIDUAL PERSONS) OF OCCUPATIONAL PENSION SCHEMES, PROVIDENT FUND SCHEMES, PERSONAL PENSION SCHEMES AND OTHER PRIVATELY-MANAGED PENSION SCHEMES

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1. INTRODUCTION

- 1.1 The purpose of the Guidelines is to provide the basic procedures for Trustees (Individual Persons), pursuant to provisions of the National Pensions Act 2008, (the Act).
- 1.2 In developing these requirements, the National Pensions Regulatory Authority (NPRA), hereinafter referred to as the Authority, has provided the minimum standards so as to assist Trustees achieve the prudential objectives of the Act's requirements.
- 1.3 These Guidelines are not intended to be all encompassing and are subject to change by the NPRA; and, reference to the Act and the accompanying Regulations must always be taken into consideration.

2. ELIGIBILITY FOR APPOINTMENT

An individual who desires to be appointed as a Trustee shall:

- 2.1 Be ordinarily resident in Ghana and satisfy the Authority that he / she is a person of good reputation and character and, in particular, has not been convicted of an offence involving fraud or dishonesty by a Court of competent jurisdiction whether in Ghana or elsewhere, of an offence involving fraud or dishonesty.
- 2.2 Ensure that businesses carried on by him/her are compatible with the interests of the members of an occupational pension scheme, provident fund scheme or a personal pension scheme.
- 2.3 Have appropriate knowledge and understanding of the law relating to pensions and trusts and the investments of the assets of the schemes.
- 2.4 Be conversant with its scheme-related documents, that is, the trust deed and rules of the scheme, any statements of investment principle and any other document that records current policy relating to the administration of the scheme generally.
- 2.5 Have professional knowledge and experience to administer a pension scheme.
- 2.6 Execute a performance guarantee.

3. FUNCTIONS OF A TRUSTEE

A Trustee shall, in addition to other duties imposed by a Trust Deed, perform the following functions:

- 3.1 Secure Scheme registration.
- 3.2 Appoint Pension Fund Managers, Pension Fund Custodians and other service providers and ensure their compliance with regulatory requirements or guidelines.

- 3.3 Maintain investment policy statements and internal control procedures prescribed by the Authority.
- 3.4 Ensure that the investment of funds of the scheme is diversified to minimize investment risk.
- 3.5 Act as a provident trustee in financing relationship with its members.
- 3.6 Discharge the duties of a Trustee.
- 3.7 Process transfer and payment requests as contained in the trust.
- 3.8 Keep proper accounting records and a members' register.
- 3.9 Prepare and lodge annual audited financial statements, scheme and investment reports with the Authority.

4. REQUIREMENTS FOR LICENSING

- 4.1 Occupational Pension Schemes, Provident Fund Schemes, Personal Pension Schemes and other privately-managed schemes shall only be managed by Trustees licensed by the Authority.
- 4.2 A person shall not be appointed as Trustee unless that person is licensed in accordance with the National Pensions Act, 2008.
- 4.3 A person seeking to be appointed as Trustee shall apply to the Authority using the prescribed form, accompanied by the prescribed fee.
- 4.4 The Applicant must submit to the NPRA, evidence that:
 - 4.4.1 He/She is ordinarily resident in Ghana;
 - 4.4.2 He/She is a person of good reputation and character;
 - 4.4.3 He/She has not been convicted by a Court of competent jurisdiction whether in Ghana or elsewhere, of an offence involving fraud or dishonesty;
 - 4.4.4 He/She has appropriate knowledge and understanding of the law relating to pensions and trusts and investment of the assets of the Schemes.
- 4.5 Application shall be accompanied by:
 - 4.5.1 A non-refundable application fee, in bank draft, payable to the National Pensions Regulatory Authority and marked "Application Fee".
 - 4.5.2 Name, Address (physical and electronic), telephone numbers of the Applicant.
- 4.6 Attestation of the willingness and capacity on the part of the Applicant to comply with the provisions of the Pensions Act and NPRA's supervisory requirements and standards on a continuous basis, if the application is approved.

4.7 After meeting the requirements for licensing, approval may be granted to the Applicant, which shall be valid for a period, and thereafter subject to renewal(s).

4.8 Application Submission

Duly completed application form and supporting documents should be submitted in both hard and soft copies in sealed envelopes to the following address:

**CHIEF EXECUTIVE OFFICER
NATIONAL PENSIONS REGULATORY AUTHORITY
PMB, MINISTRIES POST OFFICE, ACCRA.**

All enquiries should be referred to the above address. Relevant forms can be downloaded from the NPRA website: www.npra.gov.gh.

5. GENERAL DUTIES WITH RESPECT TO ADMINISTRATION OF SCHEME

Trustee shall in the administration of the Scheme:

- 5.1 Exercise a level of care, skill, diligence and prudence that is reasonably expected of a prudent person who is acting in a similar capacity.
- 5.2 Make use of relevant knowledge and skill that the trustee is reasonably expected to have.
- 5.3 Ensure that the funds of the scheme are invested in different investments to minimize the risk of losses.
- 5.4 Act in the interest of the Scheme members and in accordance with the rules of the scheme.

6. INFORMATION TECHNOLOGY REQUIREMENTS

- 6.1 If administration of the Pension Scheme is to be outsourced, the NPRA's ICT Guidelines must serve as the minimum ICT requirement for the Administrator.
- 6.2 The key issues to be considered for the efficient information flow and effective system inter-operability among the Pension Scheme's stakeholders are:
 - 6.2.1 System Management: Hardware, Operating System, Applications, Database Storage and Back-up
 - 6.2.2 Network Management: Telecom Infrastructure Management, Configuration, Performance and Security.
- 6.3 Trustees must note and consider that the Pension Scheme administration will require that transactions and associated data must flow seamlessly between the Fund Custodian and Fund Managers and the NPRA.

7. SCHEME RECORDS

- 7.1 The Trustee shall keep a register of Scheme Members which shall specify the member's name, residential address and date of birth.
- 7.2 The Trustee of a registered Scheme shall keep accounting records to explain transactions of the Scheme and the financial status of the Scheme.
- 7.3 The records shall be kept:
 - 7.3.1 In a manner to show a true and fair status of the financial transactions of the scheme during each financial period, and in a manner that ensures convenient and proper auditing;
 - 7.3.2 At a specific place that can be readily accessible in Ghana, and made available to the Authority on request for inspection
- 7.4 The Trustee of a registered Scheme shall maintain a separate account for each Scheme member which shall specify the members accrued benefits, and in a manner that ascertains the market value of the accrued benefits at least once every month.
- 7.5 Trustees shall ensure that the scheme assets are:
 - 7.5.1 Administered and dealt with as trust assets;
 - 7.5.2 Applied only for the purposes of the scheme;
 - 7.5.3 Separately recorded in the appropriate records and distinguished from other records, and from the trustee's personal assets.

8. BENEFIT STATEMENTS

- 8.1 Trustees shall on quarterly basis, provide each member of the Scheme with a benefit statement.
- 8.2 A scheme member's benefit statement shall specify the name of the member, name of the scheme, the total contributions paid to the scheme in respect of a member during a financial period, and value of the accrued benefits of the member as at the beginning and end of the financial period.
- 8.3 Members' records must be:
 - 8.3.1 Denominated in Ghana Cedis
 - 8.3.2 Up-to-date, and must disclose with reasonable accuracy at any time, the member's records

9. CONTRACT WITH PENSION FUND MANAGERS

- 9.1 Trustees shall appoint a Pension Fund Manager to manage the investments of the funds of the scheme.
- 9.2 The Trustee shall in appointing a Pension Fund Manager ensure that the selection and appointment of the fund manager is recorded in writing, and that there is no conflict of interest between the Pension Fund Manager and other persons who have a contractual relationship with the Trustee.
- 9.3 The Pension Fund Manager must have the resources including the human resource necessary to carry on business as a Pension Fund Manager and has in place adequate controls and safeguards with respect to the investment of funds of the scheme.
- 9.4 The Pension Fund Manager shall be independent of the Trustee.

10. CONTRACT WITH PENSION FUND CUSTODIANS

- 10.1 Trustees shall ensure that the scheme assets are kept by, or under the control of a Pension Fund Custodian with whom the Trustee must enter into a custodial agreement with respect to the scheme assets.
- 10.2 The Pension Fund Custodian shall make good, losses which the Pension Scheme suffers due to its negligence.
- 10.3 The Trustee shall in appointing a Pension Fund Custodian ensure that the selection and appointment of the Pension Fund Custodian is recorded in writing, and that there is no conflict of interest between the Pension Fund Custodian and other persons who have a contractual relationship with the trustee.
- 10.4 The contract shall have a clause requiring the exercise of the same standard of care that the Pension Fund Custodian would exercise over its own assets in holding, maintaining, servicing and disposal of property and in fulfilling any other obligation in the agreement.
- 10.5 The Pension Fund Custodian must have the resources including the human resource necessary to carry on business as a Pension Fund Custodian and has in place adequate controls and safeguards with respect to the custody of funds of the scheme.
- 10.6 The Pension Fund Custodian shall be independent of the trustee.

11. REVIEW AND ENQUIRIES

- 11.1 These Guidelines shall be subject to review by the NPRA.
- 11.2 All Enquiries regarding these Guidelines shall be directed at the Chief Executive Officer, National Pensions Regulatory Authority, Accra.