

Member voice in pension scheme governance

**Making member representation
work at scale**

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Summary and recommendations

This report presents research conducted for the Trades Union Congress on member representation in pension scheme governance, in the UK and internationally. It looks at how members have a voice in decisions that affect their pension outcomes, the benefits this brings, and how that voice is changing as schemes become larger and more centralised.

The report focuses on consolidation (smaller schemes being merged into fewer, larger schemes) and the growth of multi-employer schemes (pension schemes used by many employers, rather than one employer running its own scheme). These models can improve efficiency and the ability to run the scheme well, including oversight, controls and decision making. However, they can also reduce direct member voice if members do not have representatives able to influence the outcomes of these processes.

The research is based on a review of relevant literature, policy and regulatory material, alongside qualitative interviews with 16 stakeholders across the UK, Australia, Canada, Denmark, and the Netherlands, including scheme chairs, trustees, union nominees, employer representatives, and public sector pension bodies.

Key findings

- In the UK, mandatory member representation requirements were seen as a key member protection when they were introduced in the 1990s in the wake of high-profile pension scandals. The presence of member representatives strengthens accountability, legitimacy, decision quality, engagement and diversity of trustee boards, and is a particularly important safeguard where members bear the consequences of investment decisions and how risks are managed across the membership.
- But, in UK pensions governance, the role of member representatives is declining as schemes consolidate and governance shifts towards large multi-employer structures, sole corporate trustees and schemes where member-nominated trustee (MNT) requirements do not apply. In practice, this means more savers are in arrangements where trustees are appointed through provider, employer or statutory routes, rather than through member nomination or election.
- This erosion is structural, not incidental. It reflects a wider shift from employer-based schemes, where governance was closer to workplaces and workforce institutions. Pensions are now more often provided through stand-alone financial institutions, where decisions are more centralised and member contact is mediated through communications, administration and regulatory oversight rather than direct representation.
- Current substitutes for representation are insufficient. Advisory panels, feedback mechanisms and disclosure can improve the flow of information between governance bodies and the membership, but they do not create embedded influence unless they have a clear route into decision-making. These substitutes appear in some UK master trusts through member panels and other member voice channels, in collective defined contribution schemes through stronger communication and feedback duties, and in the

Local Government Pension Scheme through consultation requirements and local pension board structures.

- Scale and heterogeneity make representation harder, not less necessary. Multi-employer schemes typically cover more diverse workforces and have weaker employer links. This increases the need for different groups of members defined by, for example, the industry they work in or their type of occupation, to have a reliable way to select representatives. They also need governance structures that allow trustees to gather systematic member insight from these groups to enable them to test how decisions land across different sets of members.
- International evidence demonstrates that member representation works at scale where governance frameworks provide representation to the different groups of members within the scheme. It also demonstrates that this representation plays a vital role in the successful running of many of the largest schemes internationally.
- Where member representatives receive structured preparation and induction, clear information and encouragement to challenge, they contribute effectively. Interview evidence suggests member representatives improve scrutiny by asking basic questions that others avoid, reduce groupthink, test whether decisions work for members in practice, strengthen communications and engagement, and keep boards/decisions focus on member priorities such as sustainability and fees.

Recommendations

1. Establish minimum requirements for member representation at scale

Government and regulators should ensure that member representation remains a core governance safeguard as pension schemes consolidate by:

- Requiring all trustee boards of trust-based pension schemes to include at least one-third member representation, regardless of scheme size or structure
- Establishing a working group to explore the challenges in embedding member representation in large multi-employer schemes, and develop best practice for representing diverse membership groups

2. Enable structured member representation in multi-employer schemes

Representation in multi-employer schemes should be anchored in defined member groups rather than individual employers. Regulators should:

- Explicitly permit and encourage governance structures that allow for sectoral, occupational or regional representation within multi-employer schemes, such as supplementing member representation on trustee boards with industry or regional member panels
- Recognise the role of unions, employer bodies, and dedicated nominating bodies, for example unions, employer bodies, or a scheme level nominating panel, in supporting nomination processes, accountability and ongoing dialogue between member representatives and members

3. Set minimum standards for support, training and resourcing

To ensure member representation is effective rather than symbolic, regulators should define baseline expectations for governance support, including:

- Access to well-resourced and independent secretariat support
- A clearly defined induction process, ongoing training and technical briefings for all trustees
- Access to member insight and research functions to support informed challenge and decision making
- A responsibility on trustees and unions and other nominating bodies to ensure nominees have a certain level of knowledge.

Chapter one: The impact of policy and market changes on member voice in pensions

This chapter explores how member representation in UK trust-based pensions developed and operates and shows how consolidation and the rise of sole corporate trustees are reducing direct member voice.

The requirement for MNTs was introduced in the wake of the Maxwell scandal

Following the discovery of around £450m missing from the Mirror Group pension fund after Robert Maxwell's death, and other cases where pension members lost money with little recourse, the government established a Pension Law Review Committee (the "Goode Committee").¹ The Goode Committee proposed that a proportion of trustees be nominated or elected by scheme members to improve governance and representation and safeguard against harmful behaviour of sponsoring employers.²

Market changes are reducing member representation

While defined benefit (DB) schemes and single-employer trust-based defined contribution (DC) schemes are generally still required to ensure that at least one-third of trustees are member-nominated,³ recent market changes have resulted in multi-employer schemes, DB consolidator vehicles (superfunds) and sole trusteeship arrangements (a single corporate trustee instead of a board of individual trustees) that are exempt from member representation requirements. Schemes with strong sector identities and established collective bargaining structures still sustain formal workforce representation on trustee boards through union or workforce nomination routes (for example the Universities Superannuation Scheme and Royal Mail).

These changes reflect a broader structural shift in workplace pensions: from schemes rooted in the employment relationship toward large, stand-alone financial institutions. Historically, many pension schemes operated as an extension of the employer–employee relationship, with governance closely tied to workplaces, sector identities and collective bargaining. As schemes have grown and diversified their employer base, that direct connection has weakened. Decision-making has moved away from individual employers and workforces toward centralised trustee boards, executive teams and outsourced providers, potentially improving efficiency and risk management but reducing day-to-day proximity to member voice.

¹ Newell, J. (2021)

² Blair, C. (1995) This recommendation was implemented through the Pensions Act 1995, though with some opt out provisions. In 2004, the Government, through new legislation, removed the opt-out provisions and strengthened protections against the removal of MNTs. Pensions Act 1995, c. 26, part 1; Pensions Act 2004, c. 35, part 4

³ Subject to statutory exemptions

Most master trust schemes make use of exemptions to the MNT requirement

Automatic enrolment policy created demand for large, low-cost schemes and as a result several insurers set up master trust schemes, alongside standalone providers such as NEST and The People's Pension, which are exempt from the member-nominated trustee (MNT) requirements placed on single-employer trusts. The majority of employers newly enrolling employees as part of the policy used master trusts, and as a result, most active DC scheme members are now in this type of scheme. In 2024, 66 per cent of active DC members were saving into master trusts.⁴

Upcoming requirements mean DC schemes will have to offer a default retirement income option for members who do not make an active choice about what to do with their pension pot at retirement. The default would set key features such as charges, products, and delivery partners. This is a necessary step towards improving outcomes for members, but it will extend the areas over which trustees will take decisions on behalf of DC members beyond the stage of building up a pension, deep into their retirement.

Insurance buy ins and buy outs replace member representation with insurer regulation

With most private sector DB schemes now closed, many employers have used bulk annuities (buy ins and buy outs) to transfer DB liabilities to insurers. Once liabilities sit with an insurer, governance shifts from trust-based member oversight to the insurance regime. Insurers are overseen through financial regulation and prudential supervision, rather than through MNT structures.

DB consolidator vehicles are exempt from MNT requirements

Following the 2018 white paper Protecting DB pension schemes, government introduced 'superfunds' as a middle option for schemes unable to buy out or rely on their employer covenant.⁵ Superfunds are exempt from MNT requirements, with DWP arguing that alternative mechanisms, not elected trustees, should provide member voice in this model.

Industry and DWP estimates suggest that in the short term perhaps 50–100 schemes, around 1–2 per cent of the UK's c.5,000 private DB schemes, might be suitable for a superfund transfer, with potential to grow to several hundred schemes as the market matures. That could ultimately cover 5–10 per cent of private sector DB members, depending on which schemes choose this route and the funding criteria applied.⁶

⁴ Wilkinson *et al.* (2024) ; Most master trusts use regulatory exemptions to bypass MNT requirements. Multi-employer schemes in which the employers are not connected and the board meets independence and appointment criteria are exempt; scheme in which all trustees or directors are "independent." This means they have no ties to participating employers and where they meet conflict-of-interest tests are exempt.

⁵ As of June 2025, only one is operating, Clara Pensions, covering over 21,000 members and £1.4bn in assets.

⁶ <https://www.pwc.co.uk/press-room/press-releases/PwC-comments-on-the-completion-of-the-first-pension-superfund-transaction.html>

The use of sole trusteeship is growing

In 2023, around 14 per cent of DB schemes used a sole corporate trustee,⁷ and these models are exempt from using MNTs even for single-employer schemes, though some schemes with sole trustees still use member representatives on the directing board. Sponsoring employers argue that sole trusteeship can be more appropriate for closed schemes, or schemes approaching buy out, where recruiting and appointing trustees can be difficult. But as well as introducing clear conflicts of interest for schemes with ongoing strategic decisions, complex employer relationships, or immature liabilities, the loss of representative trustees can result in less member focus.

Contract-based DC scheme governance has improved, but member representation remains absent

Contract-based DC schemes are an alternative way of providing workplace pensions, through individual contracts with a provider, not trusts; they have no trustee board and no MNT requirement and are subject to Financial Conduct Authority regulation. Around 5.6 million people are actively saving in contract-based workplace DC.⁸ In 2015 a requirement was introduced for contract-based schemes to set up Independent Governance Committees (IGCs), charged with acting in members' interests, assessing value for money, and challenging providers where necessary.⁹ IGC's are not required to include member representatives.

Concerns have been raised about how far IGCs provide independent scrutiny and sustained challenge. The FCA's IGC effectiveness review found wide variation, with some IGCs providing robust challenge but others lacking influence, resources and follow through. There are also gaps in the evidence base some IGCs use, including limited visibility of charges and transaction costs and inconsistent approaches to defining and assessing value for money, particularly for legacy workplace arrangements. Charge reductions cannot be seen as clear evidence of IGC impact given wider market and regulatory drivers. Some IGCs do deliver improvements, including pressing for fee reductions or resisting charge increases, but this is not consistent across providers and the overall model still depends on provider cooperation and IGC capability. The government's new Value for Money (VFM) Framework is intended to standardise the way IGCs measure value for members, and could help improve the scrutiny of some IGCs, but variation may remain.¹⁰

Ongoing reforms are likely to further reduce member representation

Private pensions are currently undergoing reforms aimed at improving governance, investment, and VFM, which are all being legislated for further in the 2026 Pensions Bill. These reforms are made up of several parts, targeting different scheme types in different ways, but with the unintended consequence that member representation on trustee boards

⁷ Hymans Robertson (2023)

⁸ Okello and Garcia Requejo (2025)

⁹ FCA (2014)

¹⁰ FCA (2020)

is likely to decrease and, in some cases, has already done so. Four key reforms impact member representation in their current form:

- Consolidation of smaller DB schemes
- Further consolidation of LGPS investment funds
- Minimum sizes for multi-employer DC default funds
- Requirement for DC schemes to offer default retirement income options

The next section of this report discusses each of these in turn.

Consolidation of small DB schemes could lead to a reduction in member representation

Government and industry have discussed a possible public sector consolidator for smaller closed DB schemes, potentially run by the PPF, as a future option where schemes cannot reach buyout and do not enter a commercial consolidator. This remains an emerging policy idea, not a settled default. If a public consolidator is developed, it would sit outside a trust framework and member nominated trustee rules would not apply, so member oversight would reduce at the point of transfer. In parallel, policy focus has included creating a clearer statutory framework for commercial DB consolidation, including superfunds.

LGPS consolidation will reduce member involvement in investment decisions

The Local Government Pension Scheme (LGPS) is a statutory public service scheme rather than a trust-based occupational scheme, so the MNT framework does not apply. Governance is set in LGPS regulations: each fund is overseen by a scheme manager and a pensions committee and supported by a local pension board comprising equal numbers of employer and member representatives.¹¹ Under the government's 2025 reforms, funds will be expected to keep setting their overall investment strategy locally, but they must delegate day-to-day investment implementation to an FCA-authorized pool and transfer assets to be managed by the pool by March 2026.¹² In practice, that means decisions like which managers to hire, how mandates are run, and many 'active vs passive' calls shift from the pensions committee and the local pension board, where member representatives sit, to the pool operator.¹³ The government hasn't mandated a standard way for pools to include member representatives in their own governance (though some pools do have member representatives directly on the board and some use non-voting member observers or advisory roles. As a result, members' direct influence over implementation decisions is likely to fall unless pools choose to give them a voice.

¹¹ The Local Government Pension Scheme Regulations 2013, No. 2356, part 3, regulation 107

¹² HMT, DWP, MHCLG, (2025)

¹³ HMT, DWP, MHCLG, (2025)

Minimum DC default sizes will concentrate members into a small number of schemes

As noted above, the rise of master trusts has already led to more people saving into trust-based DC schemes without direct member-nominated representation. The government's intended minimum-size policy will push this further by requiring each multi-employer provider to run at least one main-scale default arrangement of £25bn+ by 2030 and curbing the creation of new defaults.¹⁴ Providers that cannot meet the threshold will be expected to consolidate or wind up, while a new contractual override will let contract-based providers move savers from legacy or sub-scale defaults without individual consent.

These measures will concentrate DC members into a small number of large defaults, further reducing the share of savers in schemes governed by boards with MNTs and increasing reliance on regulatory VFM, disclosure and other accountability tools.

Conclusion

UK pensions are moving toward fewer and larger multi-employer schemes, based on the view that scale will deliver better value. The cost is a reduction in direct member-elected representation. MNT rules still exist in many trusts, but newer models such as sole corporate trustees, superfunds, LGPS pooling and multi-employer DC schemes reduce the number and influence of member nominees.

Government does not claim that the case for member representation has disappeared, in fact it notes the "the positive contributions lay trustees make to scheme governance. They offer a different viewpoint in decision making and are able to reflect the voice of scheme members to the rest of the trustee board."¹⁵ However, as the landscape evolves, it is relying on increasingly complex regulation to protect members. Superfund policy notes that ministers are unsure MNTs fit these structures. Master trusts rely on authorisation and supervision rather than elected representatives, and the proposed public consolidator would not use MNTs at all.

¹⁴ HMT, DWP, MHCLG, (2025); Mirza-Davies *et. al.* (2025); Where a provider can't reach £25bn by 2030 but can show £10bn+ in a main default by 2030, it may apply (in 2029) for a transition pathway: a time-limited route to 2035 with a robust, deliverable plan to hit £25bn, plus conditions on investment, e.g., a target level of productive/UK assets and fee benchmarking versus at-scale peers, and governance/value, e.g., in-house investment expertise and strong VFM assessments; HMT, DWP (2025)

¹⁵ Work & Pensions Committee (2025)

Chapter two: Why member representation matters

As pension schemes have evolved into large financial institutions, the governance challenge has shifted. Professionalisation has strengthened technical capability, investment execution and regulatory compliance, but it has also increased the distance between decision-makers and the lived experience of members. Member representation matters most in this context: not as a substitute for expertise, but as a mechanism for anchoring institutional decision-making in the interests, expectations and risk-bearing realities of savers.

The quotes in the text are from interviews with 16 stakeholders across the UK, Australia, Canada, Denmark, and the Netherlands, including scheme chairs, trustees, union nominees, employer representatives, professional trustees and members of public sector pension bodies.

This chapter explores the five key governance benefits which member representation on trustee boards brings. These are:

- Accountability
- Legitimacy
- Better Outcomes
- Stronger Engagement
- Diversity

Member representation strengthens accountability where appropriate structures and support are in place

Direct member representation strengthens accountability by ensuring boards remain answerable to those who bear the financial risks. MNTs in trust-based DB and DC schemes ask questions that professional or employer appointees may not, acting as a safeguard against decisions being taken without scrutiny.¹⁶ Employers and advisers acknowledge that MNTs 'keep them on their toes', improving decision-making by forcing boards to justify their choices more clearly.¹⁷

International evidence corroborates this:

- Dutch member representatives act as a corrective against boards acting only in the sponsor's interest¹⁸
- Irish employer-nominated trustees view member representatives as protection against conflicts of interest¹⁹

¹⁶ House of Commons Work and Pensions Committee (2024)

¹⁷ DWP (2010)

¹⁸ Maatman *et. al.* (2024)

¹⁹ The Pensions Board (Ireland) (2006)

- Australian retail funds without member representatives are more prone to misconduct than industry funds with trustee boards that have equal representation between members and employers²⁰
- Danish employee representatives report significant influence, particularly in listed firms, where nearly 70 per cent say they have at least some influence and only 7 per cent feel they have none. This may support stewardship through earlier risk escalation and stronger challenge, although does not, on its own, evidence better long-term outcomes.²¹

“Member trustees will stop the discussion and say, ‘I don’t understand this. Can you explain it in plain language?’ That changes the dynamic. People with professional backgrounds often do not admit they are lost, even when a presentation is unclear. When a member trustee asks the basic question, it forces the whole board to slow down, go back to first principles, and check we are not just accepting jargon. It improves decisions because it exposes what has not been properly explained, not just what has not been decided.” (UK)

“The Responsible Investment and Climate Change Working Group exists because members pushed for it. It was not created because officers woke up one day and thought, ‘Let’s do a climate group.’ It came from years of member feedback and campaigning, [...] members kept saying, ‘This is our money. We are worried about how it is invested. What are you going to do about it?’ At that point, I went back through the union and surveyed members so we could stop it being dismissed as just one person or one organisation making noise. The results were clear. Climate change and responsible investment mattered to members, and I could take that evidence into a room with the committee, the board, advisers, fund managers, and the campaigners and say, ‘Here is what members actually think.’ Once you put real evidence of member views in front of decision makers, it becomes much harder to ignore. That is when the fund had very little choice but to set up a working group with scheme member representation, because it was obvious this was a governance issue and a member interest issue, not a side topic.” (UK)

However, accountability benefits are not automatic. Representatives may lack access to the same depth of technical information as employer or professional trustees, limiting their ability to challenge effectively. Member representatives need to be supported to challenge group-think and embedded board assumptions via access to information, appropriate support and training.

²⁰ Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (2019)

²¹ Knudsen (2008)

Member representation supports legitimacy, but risks dilution without trust and visibility

MNTs can help foster trust between members and schemes by ensuring that the workforce has a visible presence in governance. Without this, members may regard trustee boards as remote or aligned primarily with employers/pension providers.²² Members are often reassured simply by knowing that ‘people like them’ sit on trustee boards.²³

Dutch representation requirements are based on the principle that when members carry investment risk, visible representation is essential for maintaining trust, particularly when outcomes fall short.²⁴ OECD comparative evidence suggests that members’ awareness of being represented is what gives board structures genuine legitimacy, creating a sense that decisions are made with their interests at heart.²⁵ Irish providers report that lay and member-nominated trustees build trust, convey institutional knowledge, engage members with their pensions, and provide legitimacy on boards.²⁶

“It can be tense at the start, because officers and committee members do not always want the extra work that comes with proper consultation or better process. But when scheme member representatives are willing to push, and to keep pushing, it tends to build respect rather than hostility. If I say, ‘This is not optional, this is what the regulations require and this is what members are owed,’ and I can point to the wording and explain what it means in practice, it changes the dynamic. It is not about being rude or confrontational. It is about doing the job properly, reminding people of their obligations, and making it easier for them to comply by saying, ‘Here is how you can do it, and I can help.’ Over time, people stop seeing it as a nuisance and start seeing it as part of good governance. The respect comes from being prepared, being persistent, and being clear that the point is to protect members and the scheme.” (UK)

“One of the main benefits is trust. When members can see that employees and pensioners have people in the governance structure who come from their side of the world, it supports legitimacy. They may not follow the technical details, but they know there are representatives in the room who understand their concerns and will raise questions about fairness, communication, and how decisions affect different groups. That matters even more right now, because we are in a transition where decisions can materially change outcomes for large numbers of people. In every major decision we explicitly weigh members’ interests, and representatives are a key part of that because they have ongoing conversations with the sectors they represent. They can explain what the

²² House of Commons Work and Pensions Committee (2024)

²³ DWP (2010)

²⁴ Maatman et. al. (2004)

²⁵ OECD (2008)

²⁶ The Pensions Authority (2015)

board is doing and they can bring back what members are worried about. Without that, it is harder to maintain confidence, and harder to persuade people that the fund is acting for participants rather than for professionals or institutions.” (Netherlands)

However, the legitimacy benefits of representation are not automatic. Visibility and influence are both necessary conditions: members need to know that they are represented, and they need to see evidence that representatives have a meaningful role. Low levels of member engagement can also weaken perceived legitimacy. Turnout in trustee elections is often modest, raising questions about the extent to which individual representatives can claim a mandate from the wider membership.

Member representation is associated with better outcomes, but correlation is complicated

Member representation provides a counterbalance to employer and provider interests. MNTs challenge decisions that might otherwise reflect sponsor priorities or provider preferences,²⁷ and are seen as a check against employer influence, particularly during funding negotiations, with some employer-nominated trustees welcoming their presence as reducing perceptions of bias.²⁸

Representative governance structures can support stronger performance over time. In Australia, not-for-profit funds with equal-representation boards generally deliver higher net returns than for-profit retail funds.²⁹ In practice, performance is influenced by multiple factors including scale, investment strategy, fees, and oversight mechanisms, but the quality of these factors will generally reflect governance quality.

“Having lay people on committees gives a direct tie to beneficiaries... you just get better results. They bring the beneficiary lens into the room and they are willing to challenge professional assumptions. Joint employer–member nomination also matters because it prevents one interest group from dominating the board, and it reinforces legitimacy: members can see that oversight is not just ‘experts talking to experts’. That combination improves the quality of discussion and makes it more likely that decisions land well with the workforce.” (Canada)

“When you are talking about investment strategy, a member perspective can change the way the question gets framed. It is easy to end up in a very ‘helicopter’ view where the aim becomes to look good in performance tables, to chase the highest average return over a long period, and to talk as if that average outcome is what matters. But members do not experience the average. Some cohorts get unlucky. Some people retire at the wrong time. Some people end up in the group that takes the hit when risk shows up. Having people in the room who

²⁷ House of Commons Work and Pensions Committee (2024)

²⁸ DWP (2010)

²⁹ Markey, et. al. (2014)

can picture what it feels like to be in that cohort tends to shift the discussion towards downside risk and fairness, not just upside.” (UK)

Member representation can strengthen engagement by providing a route for members to raise concerns

Member representatives were described as strengthening engagement by improving the feedback loop between members and governance. Their presence can increase trust and make members more willing to raise questions and respond to scheme prompts. Representatives also bring systematic member insight into board level decision making, by gathering views ahead of major changes and testing how communications will land. Interviewees described both formal routes, such as committees and surveys, and informal routes, such as direct contact from members. These inputs were linked to clearer communications, better timing, and practical fixes to member support processes, as well as the presence of member representatives on trustee boards.

“When we run a pension session, we get the highest turn out of members for those sessions than anything else because there’s a desire to understand. I think it may be because it’s a new scheme, so there is a good level of engagement and we’re trying to encourage more and more of that. Those sorts of queries do help to improve the process.” (UK)

“Sustainability is a huge topic and member views are not fixed. People’s opinions change, and even within one fund you can have different priorities across groups. We are very aware that this is members’ money, not our own, so we cannot just apply our personal views. That is where member and union representatives add value. They have connections into the sectors and they hear what people are saying, which helps the fund understand where members are comfortable with exclusions and where they would rather see engagement, and what kinds of sustainability issues matter most at a given time. It is not that they come in with a party-political agenda. It is more that they help the board test whether it is staying aligned with participants. They also help when the fund needs to ask members directly about preferences, because they understand how to frame the question and how it will land. So they are a route to systematic member insight on ESG, not only a ‘voice in the room’.” (Netherlands)

“I’ve had a lot of members call me or email me with certain questions and I do think that there is an increased level of trust between member nominated trustees and the member, it’s just the odd question that comes back to us that we need to address. Those sorts of queries do help to improve the process. Also if someone dies in service for example, the process is then left to the family to try and resolve. And members often come to us to ask who they should contact and what to do.” (UK)

“There is structure. At [our fund] we represent multiple sectors, so we have sector committees where representatives can gather input and explain what the board has done with that input. Union representatives

are appointed and paid by the unions. Part of their assignment is to actively find out what members need and think.” (Netherlands)

Diversity can broaden challenge, but recruitment barriers may limit representativeness

Greater diversity on trustee boards is widely associated with stronger challenge, better decision-making and improved outcomes. A substantial majority of UK trustees view diversity as essential to effective governance: 84 per cent believe diverse and inclusive boards foster good decision making, 83 per cent say diversity underpins good governance, and 85 per cent link it to good decision-making, 83 per cent say diversity underpins good governance, and 85 per cent link it to good member outcomes.³⁰

Several interviewees also described diversity as a partial proxy for representation in settings where the member base is extremely heterogeneous and direct representation is difficult to sustain. In large, multi-employer schemes it is not feasible for trustees to mirror all member characteristics or circumstances. However, a board that reflects a wider range of lived experience, socio-economic backgrounds, career patterns and personal characteristics is more likely to raise questions about fairness, accessibility, communication and risks that affect different groups of members in different ways.

MNTs contribute to diversity by bringing workplace experience, varied backgrounds and perspectives that differ from those of employer-appointed or professional trustees. This broader mix of viewpoints can enrich debate, reduce “groupthink” and improve the quality of challenge.³¹

“You get different backgrounds and ways of thinking, and that supports good decision making because people bring different lived experience into the room. Some trustees understand how the scheme lands with members because they work alongside them, and they hear the questions and confusion in real time. Others bring technical pensions, investment, or governance experience. When you mix those viewpoints, it is easier to spot blind spots, and it becomes normal for someone to say they do not understand and to ask the basic questions that improve decisions.” (UK)

“Cognitive diversity matters as much as demographic diversity. We all have blind spots, and different educational and work backgrounds change what people notice, what they question, and what risks they prioritise. That is why we want boards with different perspectives, not just people who look different. In practice, having both employer and employee voices alongside professionals helps boards test assumptions and reach better judgements about what is in members’ interests.” (Denmark)

³⁰ TPR (2024b)

³¹ DWP (2010); House of Commons Work and Pensions Committee (2024)

However, recruitment remains a barrier; low turnout in trustee elections and limited numbers of members putting themselves forward can reduce representativeness. Challenges in attracting candidates from different demographic groups may mean that boards fail to reflect the diversity of the membership. Representative structures require active efforts to attract, support and retain a wide pool of candidates if diversity benefits are to be realised in practice.

Conclusion

Member representation can strengthen accountability, improve outcomes, and give legitimacy to governance when members know they are represented and their voices carry real weight. Evidence from the UK and abroad shows that representatives can counterbalance employer and provider interests, broaden debate, and build trust, but these benefits are uneven. Representation risks becoming symbolic where turnout is low, structures are advisory rather than decision-making, or power imbalances go unaddressed.

The shift to multi-employer and master trust structures makes the challenge sharper. Member voice is harder to sustain at scale, yet international models show it can be done when resources, visibility and stable institutional support are in place.

Chapter three: how member representation works in practice

Routes into representation: election, appointment and recruitment

Routes into member representation vary, but most schemes use one of three methods: election, appointment, or nomination through workplace/union channels. Each route has implications for who becomes a representative, board diversity, and the degree to which representatives can claim a mandate from members. Elections are designed to create an individual member mandate; union or workplace nomination creates a constituency-based mandate rooted in collective representation; and skills-based appointment is primarily a governance-capability tool rather than a representation mechanism.

Elections are good for diversity, but often have low turnouts

Elections are a common method for selecting MNTs. However, turnout is often low, especially in schemes with low union involvement; some schemes report participation rates below 20 per cent,³² and interviewees noted that visibility depends heavily on employer effort. Where campaigns are minimal, very few members stand or vote.

Appointments allow boards to target skills or fill gaps, but they do not automatically achieve representativeness. Interviewees in both the UK and Australia observed that appointed trustees often emerge from existing networks, which can reinforce demographic or sectoral homogeneity.

The increasing use of pre-screening, such as requiring completion of the Trustee Toolkit before appointment, can further narrow the pool unless accompanied by active outreach.

Workplace/union recruitment is a reliable way of sourcing candidates

UK trustees described employer and union channels as the most reliable pipelines, particularly where unions support training and peer networks. In Australia and Denmark, union nomination is a long-standing feature of governance, with representatives often coming from workplace roles that keep them close to members' concerns. Canadian plans also rely on joint employer–member nomination, even where investment decisions sit with specialist boards. In the Netherlands, unions similarly nominate trustees and accountability body members (member panels that scrutinise board processes and decisions), often giving them a formal job description that includes seeking feedback from members and sector committees before major decisions.

Case study: Netherlands sector committees and accountability body scrutiny

A Dutch multi-sector pension fund uses both board representation and an accountability body. Board meetings are not perceived as “member reps versus employer reps” because trustees make decisions together and share responsibility. The accountability body was described as where representation is most visible, with members from different occupations asking different questions and bringing sector experience into scrutiny. Union nominated

³² www.reuterspensionfund.co.uk/2021/09/28/results-of-the-2021-member-nominated-trustee-election/

trustees were described as having an explicit expectation to gather member input through sector committees, especially during the transition to a new pension system, when communication and perceived fairness were under pressure.

"Union nomination works because it is not just an individual putting themselves forward. The union gives the role a job description, makes time for it, and expects the person to bring back what members are saying. That structure is the pipeline." (Netherlands)

Across all three methods, it can be difficult to find appropriate and available candidates

Across all routes, recruitment remains challenging. Many schemes struggle to attract enough candidates, especially in closed schemes with ageing members.³³ Interviewees emphasised confidence barriers, limited awareness of the trustee role, and uneven employer support. Without sustained effort to identify and encourage candidates, boards risk drawing repeatedly from narrow pools, limiting both representativeness and diversity.

"There was a fair number – about 11 to 15 – that put their names in the ring, but that did dwindle a little bit once there was an understanding of what was required. Maybe those individuals didn't quite fully understand what was needed of them because the training is immense, and it's a high number of hours you'd have to commit to doing that, plus the fact that it's non-remunerated. So you're doing it for the fact that you have an interest in pensions and you want to make sure that your pensions are looked after." (UK)

Dutch funds report similar patterns. Large multi-sector funds tend to attract strong nominees because they are a priority for unions and employer organisations, whereas smaller funds can struggle to secure candidates with the same level of experience. Boards cannot simply 'hire and fire' union-nominated trustees; concerns about performance must be raised with the nominating union, which makes upfront selection and ongoing training especially important.

"Before appointment, candidates are screened by supervisors. They review integrity, education and experience, and can interview candidates to test competence and judgement. Interview questions cover both technical areas and boardroom behaviour. For example, where a trustee will hold the investment portfolio, supervisors test their understanding of investment risk and how they would manage it in practice. This raises the entry bar and can narrow the pool, particularly for smaller funds and for nominees who are not already experienced in financial governance." (Netherlands)

³³ TUC (2008); Other deterrents included the time commitment, training requirements, and concerns about liability

Developing effective representatives: training, learning and support

MNT training in the UK has improved

In the UK, stronger training requirements over the past decade, including The Pensions Regulator's knowledge standards, the Trustee Toolkit, and peer support through the Association of Member Nominated Trustees (AMNT) have improved induction and ongoing learning for representatives. Interviewees noted that these tools have reduced earlier concerns about preparedness, though access to high-quality support still varies. Some schemes provide comprehensive briefing and secretariat support, while others leave new representatives to learn largely on their own. Employer support is usually described as good, with most employers allowing time for meetings, preparation and training.

"It's really not an issue for me... attending pensions meetings [...] is accepted, that that's part of our elected position and role... With my fellow member-nominated trustee colleagues, none of them have had any issues around employer support. The employer has entered into this with us, they've created the scheme alongside us. The two parties have put it together and they feel that the desire of having a pension scheme is obviously great in making sure that we can recruit good people into the business with such an attraction. So they do feel it necessary that they support the need for us to attend meetings as and when necessary."
(UK)

"Without the Toolkit and the secretariat support, I would not have had a clue where to start. I had to do the Toolkit before I could formally stand, and it took weeks of focused time. After that, the secretariat kept a learning log, tracked where I was still out of my depth, and lined up extra sessions with advisers. If I did not understand something in the pack, I raised it, and either they helped me there and then or they put more training in place." (UK)

"Support is uneven. Some schemes treat member trustees as a proper pipeline and invest in them: a structured induction, time to meet advisers before board meetings, help with the board packs, and extra training when big decisions land. In other schemes, you get the statutory minimum time for meetings, but little space for preparation or learning, and you are left to work it out alone. That is when people feel overwhelmed and step back." (UK)

Dutch governance provides an example of a more formalised approach. Prospective board members must be vetted by the Dutch Central Bank and the Authority for the Financial Markets, which assess integrity, competence and experience, sometimes through interviews on both technical issues and boardroom dynamics. Once appointed, trustees are required to participate in a permanent education programme, provided by the pension fund board, covering regulatory change, IT and operational risks, and the transition to the new pension system. Accountability body members follow lighter but still structured education plans, and unions provide additional training for the trustees they nominate.

Confidence gaps remain

Interviewees emphasised that confidence develops most effectively through structured support. Chairs who signal that questions are welcome, advisers who avoid jargon, and secretariat teams that provide informal briefings can help representatives participate sooner. Opportunities to observe meetings, participate in 'dry runs' or discuss papers in advance were all seen as valuable. Peer networks also help build confidence by allowing representatives to test questions and learn from more experienced trustees.

MNTs are required to spend a lot of time preparing for and attending meetings

MNTs consistently described the role as demanding, with substantial time required to review papers, attend meetings and engage in committee work. Evidence from Australia suggests that lay trustees in industry funds often devote more hours to governance than directors in retail structures, in part because they treat the role as central rather than one of many board appointments.³⁴ UK interviewees noted that workplace and union-linked representatives frequently invest significant personal time to meet rising expectations around technical competence and regulatory compliance.

Dutch trustees in larger funds, including member trustees, commonly work two to three days a week on pension fund business, and those in smaller funds work for one to one and a half days, according to interviewees these roles are remunerated the time commitment may be less difficult. The intensity of the role reflects the scale and complexity of modern pension funds and reinforces the case for treating pension governance as a professional responsibility, even where trustees are drawn from unions or employer organisations rather than from external professional trustee firms.

"In my view, paying trustees is essential when you are effectively running a large financial institution with billions in assets and many stakeholders. It is comparable, in some respects, to running a bank or insurer, though with a closer connection to members and employers. ... It depends on the size and complexity of the fund. Many board members work two or three days a week for their pension fund. For smaller schemes it might be one to one-and-a-half days a week. Executive board members in large funds can work full-time. Boards usually meet monthly, and committees (such as investment committees) also meet once or twice a month. During the current transition period, it can feel more like once or twice a week." (Netherlands)

Several interviewees argued that remuneration is an important, and often overlooked, enabler of effective member representation. The time demands of modern pension governance make unpaid trustee roles difficult to sustain for those in lower-paid work. Paying trustees would help widen participation by removing a practical barrier to entry, while also recognising the scale and responsibility of the role. Remuneration was also seen as supporting effectiveness, not just inclusion. Interviewees noted that paying trustees makes it easier for representatives to justify the time required to prepare properly, attend

³⁴ Markey, et. al. (2014)

additional meetings and engage in training and committee work, particularly in large or complex schemes. In international systems where representative trustees are paid, this was viewed as reinforcing accountability and professionalism rather than undermining the representative nature of the role.

"It makes a huge difference. The role is relatively well paid. [...] encourages its representatives to use some of that money to buy themselves out of time from their employer and to donate to relevant charities. I do both, but I still benefit financially from the role. This contrasts with many schemes where member-nominated roles are unpaid. At my university, for example, there are serious difficulties recruiting representatives for lower-grade staff pension schemes because the roles are unpaid and people simply cannot afford the time." (UK)

Board dynamics: Culture, power and influence

Board dynamics shape how far representatives can contribute to decision-making and whether member perspectives influence outcomes. The interviews show that representatives' effectiveness is determined as much by culture, norms and behaviours as by formal structures. Good board dynamics create space for challenge, support learning and ensure member voice is part of deliberation. Weak or hierarchical dynamics can limit participation, even where representatives are present.

Interviewees across countries emphasised a clear boundary between representation and fiduciary duty, which means trustees must act in the interests of all scheme members. Joint and several responsibility means all trustees share responsibility for decisions, not just for their own votes. Trustees, regardless of how they are selected, are required to act in the interests of all members of the scheme. Representative trustees are not expected to act as delegates for a particular group or constituency, and several interviewees cautioned against behaviours that resemble sectional advocacy.

At the same time, interviewees stressed that this does not negate the value of representation. The purpose of representative trustees is not to bargain on behalf of a subgroup, but to bring perspectives, questions and lived experience into collective decision-making. Well-functioning boards recognise this distinction and support representatives in contributing insight without undermining the principle of joint and several responsibility.

"A good chair brings you in early, not at the end when the decision is already taking shape. They make space at the start of an item to ask what questions people have, and they notice who has not spoken yet. They check whether the paper makes sense and whether the implications for members are clear, then they invite challenge before the advisers and the confident voices have set the frame. That changes everything because it turns member representatives from people reacting to a settled narrative into people shaping what the board is paying attention to, including what needs more evidence, what needs clearer explanation, and what risks are being missed." (UK)

Representation does not always guarantee influence

Earlier research and interview evidence show that representatives can find their contributions overlooked or overridden, particularly where employer or professional trustees dominate discussion.³⁵ Others described settings where supportive chairs, open discussion styles and accessible explanations enabled them to shape debates on communications, service quality, environmental, social and governance (ESG) factors and member needs. Representatives with strong workplace or union links were often viewed as especially effective.

Dutch interview evidence suggests that distinct member voice may be more visible in accountability bodies than in board meetings. While boards include union, employer and independent trustees, sectoral positions are expressed more explicitly in accountability forums, where representatives of workers and pensioners question the board and report back to their constituencies.

During meetings, technical expertise and adviser framing can strongly influence debate. Some representatives reported that fast-moving or highly technical discussions made it difficult to intervene, leaving them to contribute after key points were settled. By contrast, boards where advisers explained issues clearly and avoided unnecessary jargon were seen as more inclusive. Interviewees noted that representatives become more confident in these environments as they gain experience, but only when the board culture supports their participation.

*"In our fund, challenge is expected and it is treated as part of doing the job well, not as conflict. People ask questions, advisers know they will be tested, and the discussion is set up so that different views can be heard before decisions are taken. That style makes it easier for representatives from the workplace to speak up because they are not made to feel they are slowing things down, and it makes it normal to keep probing until the board is satisfied it has the right answer for members. This kind of culture also builds confidence over time, because people learn that asking a direct question is valued and leads to better decisions."
(Australia)*

Formal structures can reinforce or mitigate perceived imbalances

In some UK DB schemes, the employer retains a casting vote. Even when seldom used, interviewees said its presence influences behaviour and can discourage challenge. By contrast, joint-sponsor or equal-representation models in countries such as Australia and Canada distribute authority more evenly and avoid unilateral employer override.

³⁵ DWP (2010)

The risk of ‘trustee capture’ can be mitigated through term limits and ongoing communication with members

Interviewees also highlighted the risk that representatives can lose their distinct perspective over time by aligning too closely with the board’s dominant perspective. Danish and Australian interviewees described how union links, workplace networks and explicit expectations of representing member perspectives help mitigate this.³⁶ UK representatives reported that regular engagement with members or colleagues outside the boardroom helps sustain independence. Term limits can also help ensure that trustees do not stay for long enough to lose their member-facing perspective, though some interviewees felt that term limits also resulted in the loss of valuable talent.

MNTs add the most value when they complement rather than compete

Finally, several interviewees emphasised that representatives are most effective when their contributions complement technical expertise. Working relationships in which representatives raise practical concerns, test assumptions and offer member-centred insight were seen as producing stronger scrutiny and better-rounded decision-making.

“When advisers explain things plainly, you can actually challenge them because you can see what is assumption and what is fact. You can ask why a recommendation is being made, what the alternatives were, and what the trade-offs are for members. If jargon is used as shorthand, it is harder to interrupt and harder to test whether the advice is sound. Plain language makes it possible to ask basic questions that matter, like what this means for service quality, outcomes, risk, cost, and whether members would understand what is happening. That is often where member representatives add most value, because they can link the technical point back to what it means in practice.” (UK)

Board culture has a strong impact on MNT influence

Some conditions matter more than others in enabling representatives to contribute effectively. Culture came through as the strongest influence in interviews with stakeholders: when boards are open, respectful and expect challenge, member representatives feel able to speak and their insight shapes decisions.

Good chairing builds on this by creating space for questions and drawing representatives into discussion early. Clear, accessible advice also helps by making technical issues easier to engage with.

Structural features such as voting arrangements or committee design play a role, but the interviews suggest the more intangible elements are important to ensure that these formal structures are effective.

³⁶ Knudsen (2008)

Bringing the member voice into decisions

Representatives contribute most effectively when they use their workplace knowledge, member interactions and lived experience to test how decisions will land with and affect members. Interviewees across countries described a wide range of ways in which representatives raise member perspectives and influence the shape of board discussions.

MNTs can act as a conduit for members

Representatives often bring real-world examples into debates about service quality, communications and retirement outcomes. UK interviewees said workplace-linked representatives helped boards understand how policies or changes would be perceived by different groups of members, particularly where schemes had varied or mobile memberships. In several cases, representatives introduced issues that were not visible from adviser papers, such as patterns in member queries, barriers to understanding communications, or the practical implications of administrative decisions.

"I have had a lot of members call me or email me with certain questions and I do think that there is an increased level of trust between member nominated trustees and the member. If someone dies in service for example, the process is then left to the family to try and resolve, who do we contact, what do we do. There is a bit of a gap there. Bringing those kinds of member questions into the room helps highlight where processes and communications do not work as intended, and it affects the questions I ask in meetings because they come straight from what members are struggling with." (UK)

"When we are exercising discretionary rights, whether it is an ill health or whatever else, they have got a very good perspective on people and situations and the interpretation of medical evidence. When we are thinking about discretionary powers around distributing death benefits, for example, that are not straightforward, they really come into their own. They also bring an understanding of people and the everyday stuff, which is exactly what we want, and they help us see what will and will not make sense to members when it lands in the workplace." (UK)

"Sometimes it is getting involved in casework. A member is upset about certain aspects of trying to sort their pension out, they go to the pension fund and they also go to their union branch, and thus it comes to me because I am both a union officer and a scheme member representative. I can then encourage and suggest that the fund may wish to get on the case and help the member out, and pointing out that the board are now interested, and other cases, and will be following this closely, means the fund is more likely to get on the case. It assists with members individual cases as well as the wider work where we are trying to help the fund understand what members are actually thinking." (UK)

MNTs challenge advisers and providers

Representatives can play an important role in challenging advisers and providers, particularly by asking questions others might overlook. This includes scrutinising the rationale behind recommendations, probing fee structures, or questioning how service standards will be monitored. Trustees said they were often able to identify gaps between provider assumptions and the lived realities of members, prompting boards to revisit issues or seek additional information. Where the board culture supported open challenge, this interaction was seen as a constructive part of decision-making.

Member reps provide a 'laser-like focus' on outcomes

Interviewees across countries described the safeguarding role as fundamental; representatives bring a grounding in members' real concerns, challenge assumptions and ensure decisions are made for the right reasons. One Australian trustee described equal-representation boards as having a "laser-like focus on member best financial outcomes."

"Our job is to protect members' money. This is their retirement income, their wage in retirement. The trustee role is not about representing a constituency in the boardroom, it is about acting impartially and prudently, in the best interests of all beneficiaries, and making sure the scheme does what it says it will do. Member nominated trustees matter because they keep the board anchored in what outcomes mean for real people, and they stop decisions drifting into technical box ticking, or convenience for the sponsor, rather than what is right for the membership." (UK)

"We are the only people in the room who have our own pensions in the fund. That changes how you listen and what you notice. You ask different questions because you are not just assessing an abstract policy, you are testing whether it makes sense for members and whether it stands up when conditions get worse. Equal representation keeps the board balanced. It reduces the risk that one side dominates, and it keeps the focus on member best financial outcomes rather than institutional preferences or provider priorities." (Australia)

"Representation reassures members that decisions are not being made in a vacuum. Members are more likely to trust governance when they can see that people with a real connection to the membership are present, asking questions, and feeding in what they are hearing. It also strengthens legitimacy when schemes have to make decisions with large impacts across different groups, because members can see there is a line of sight between the board and the people affected by the decisions." (Denmark)

Across interviews, representatives identified several specific areas where member voice shapes decision-making:

- Investment debates: Representatives often test whether proposed strategies align with the scheme's risk appetite and members' understanding of volatility, even if they do not lead the technical discussion.
- Communications: Several interviewees said representatives draw attention to clarity, tone and accessibility, ensuring member-facing materials are realistic and understandable.
- Discretions: In matters such as death benefits and complaints, representatives bring a grounding in fairness, reasonableness and the realities of members' circumstances.
- ESG and stewardship: Representatives frequently introduce concerns about long-term risk, transparency and corporate behaviour, helping the board assess issues that matter to members but may not be captured in standard technical reports.

These contributions often complement rather than compete with expertise, broadening the scope of debate and adding a practical check on adviser-led recommendations.

Conclusion

The interviews show that the effectiveness of member representatives depends on both formal design and day to day dynamics. Joint trusteeship models give member nominated trustees meaningful influence because they sit as full trustees with equal voting rights and shared responsibility for decisions. Board culture, clear chairing, accessible advice and strong preparation support turning that formal authority translates into practice. Where these conditions are in place, representatives broaden challenge, raise questions others may not consider, and ground decisions in the realities of members' lives.

Across countries, representatives are most effective when their insight complements professional expertise. Their role in shaping communications, testing investment proposals, informing ESG priorities and guiding discretions reflects the original purpose of member representation. This strengthens accountability and ensures decisions are made with members' interests at the centre.

Chapter four: Member voice at scale and in multi-employer schemes

The growth of multi-employer schemes is eroding member representation

As the pensions landscape shifts towards multi-employer structures governance becomes more centralised. One UK trustee noted that master trusts are “brilliant for efficiency but terrible for visibility” because the governance structure sits far from the employers and members who once shaped scheme culture.

International experience illustrates this institutional transition clearly. In Australia, early sector superannuation funds were closely tied to employment and collective bargaining, with boards largely staffed by union and employer representatives drawn directly from the workforce. As funds grew into large, sophisticated financial institutions, they developed professional executive teams, internal investment functions and specialist risk and compliance departments. This shift improved efficiency, scale and performance, but interviewees noted that it also weakened the everyday connection between governance and members, increasing reliance on formal representation structures, consultation and communication to maintain legitimacy.

Multi-employer schemes have a more heterogenous membership

Interviewees across all countries noted that it’s harder for representatives to speak for the full membership in multi-employer schemes. UK representatives in master trusts and multi-employer DB schemes said it was harder to bring specific member perspectives into discussions because “there is no single member experience” to articulate. Australian and Canadian interviewees made similar points: representatives could frame issues in general terms, but the diversity of occupations, earnings, and life circumstances made it more challenging to link decisions directly to member realities. In Denmark, representatives said they relied heavily on union links and workplace interactions to stay connected to members’ concerns, but recognised that these channels are weaker for workers outside established collective agreements.

Dutch multi-sector funds address this by organising governance and representation around sectors rather than individual employers. Union and employer representatives sit on the board, while sector committees and accountability bodies collect and channel member views. This gives representatives a clearer mandate in large, heterogeneous schemes, even when individual employers join or leave frequently.

“You end up talking in generalities because the scheme covers a mix of occupations, pay levels and working patterns. When you are representing members who do office work, shift work, seasonal work and roles with different risks and retirement ages, there is no single lived experience to point to. That makes it harder to test a decision against a clear member reality. You can still ask whether something is fair and workable, but you often cannot say this is how it will land for most people because there is no most people in the same way.” (Australia)

“We rely on union links and workplace networks to stay connected, because that is where you hear what members are confused about, what they worry about, and what is changing in jobs and hours. Those routes are useful, but they do not reach everyone in a multi-employer scheme. People outside collective agreements, people who are not active in the union, contractors and more mobile workers are less visible through those channels. That means you can miss concerns unless the scheme builds additional ways to hear from them and to feed that back into governance.” (Denmark)

Structural barriers to representation in multi-employer schemes

Professionalisation creates a higher bar for member representatives, because multi-employer boards deal with more complex regulation, larger risk registers (a list of key risks the scheme tracks and manages) and heavier papers. That can deter candidates and raise support needs. In the international systems we heard about, the same professionalisation also drives better support, including clearer inductions, stronger secretariat functions, better structured papers and more consistent adviser access, which can help member representatives contribute effectively when the scheme invests in those systems.

“The training that I have had when I started was on the job training, talking to actuaries, various officials, the legal team. Then before I could actually stand as a trustee, I had to complete the Trustee Toolkit. That did take some time. Coming in new as someone who is completely new to the workings of pension schemes, it took me, I think I took off three weeks from work over Christmas to actually make sure I completed that task.” (UK)

MNT support varies widely, and would strongly shape effectiveness in UK multi-employer boards

Interviews from Australia, Canada and Denmark show that support levels for member trustees varies and that at scale, these differences have a major impact. When governance support is strong, representatives can contribute effectively despite technical and time pressures. When support is limited, the complexity of multi-employer schemes makes participation harder.

If direct member representation were introduced into UK master trusts or consolidated DB vehicles, interviewees suggested that putting in place effective support systems would determine whether representatives could operate effectively within large, heterogeneous structures.

“When support is strong, member reps do very well, when it isn’t, the role becomes overwhelming. Being on a pension board takes up a lot of extra time. Whoever someone’s superior is, either in the employer structure or in the union structure, they need to ensure that the people that are appointed are afforded enough time to be able to properly discharge their responsibilities, as well as take all the education. If I am really honest with you, that is the biggest hurdle. Usually, when you are

walking into a board meeting, it is a 500-page package. You need to understand it all. If somebody just does not have the time, if they are too busy with their regular job, then they are not going to perform well as a trustee. Asking and time are the biggest two hurdles for lay board appointees, and there needs to be a line of communication between the board chair and the appointing sponsor if someone does not have the capacity to do the job." (Canada)

"Training and structured preparation make the difference between coping and not coping. It should be OK to learn in the boardroom. There is a view that you need to be a fully formed complete trustee director with 30 years' experience before you walk in. Actually you do need some people with less experience in the room... Do not just tell people they need to learn about financials. Of course they need to learn about financials, that is a given. But you also have to encourage them around the things they are good at so they feel like they are making a difference in the areas where their contribution is needed and valuable. Training is delivered through formal courses and through what is often not publicly visible, professional coaching and informal mentoring in the boardroom from people you trust." (Australia)

"Support from the union and the fund is what allows us to do the job properly. One of the reasons why industry funds' member representatives have been so effective is because they take with them a goal of representing those workers on the board, and they also have strong collective infrastructure behind them. Unions have had to think creatively about succession planning because you essentially have to be a director before you are allowed to be a director. There is continuing professional development and aspiring courses offered through peak bodies [employers' organisations] and union structures. Collective vehicles also matter. Training and networks of trustee directors create an atmosphere of collectivism, give everyone the same vision of what success looks like, and build capacity to organise policy and regulatory solutions. Schemes pay for training because directors are required to have continuing professional development, but schemes cannot pay for training of prospective directors, which creates a gap that unions and peak bodies try to fill through preparation and networks." (Australia)

Frequent employer movement makes it difficult to anchor stable constituencies

Employer mobility poses additional challenges in multi-employer schemes. In the UK, employers join and leave frequently, creating what one trustee called "constituencies that shift every few months". This makes it difficult to anchor representative roles in any enduring group. The contrast with Denmark is notable: sector-based systems provide stable constituencies regardless of employer movement. Several interviewees argued that in the UK's voluntary, mobile environment, "you can't meaningfully represent a group that keeps changing".

Current approaches to capturing member voice at scale

Separate members' bodies

The Nest Members' Panel illustrates both the current potential and the limits of advisory representation in multi-employer schemes. The panel was created to give members a statutory voice and must be consulted on changes to the Statement of Investment Principles (the document that sets the scheme's investment approach).

Despite meeting only four times a year and having low visibility among members, the panel has had tangible influence. It has shaped Nest's investment principles, contributed to government discussions on auto-enrolment reform, and strengthened dialogue with executives. Recent work includes encouraging Nest to adopt a more transparent "You Said, We Did" approach, formalising how member feedback is gathered and acted upon.

Yet the panel cannot overcome the structural limits of Nest's governance model. With no decision-making authority and limited opportunities to shape the agenda, its influence depends on how seriously its advice is treated by the trustee board and executive team.³⁷

Layered, or multi-tier structures

Some interviewees proposed layered or regional models to strengthen member voice across multi-employer schemes. Ideas include employer-level forums, regional advisory groups, or multi-tier structures feeding into a central board. These approaches aim to maintain proximity to members while ensuring that insights are aggregated at scale. However, none are currently standardised, and their effectiveness depends on consistent resourcing and clear links to decision-making.

"Regional forums can act as a practical bridge between a big central board and members who are spread across different employers and places. People can surface recurring problems, compare what is happening in different workplaces, and test whether communications and service changes make sense for the groups they represent. The forum then turns that local detail into a clearer set of themes and priorities, so the board hears issues early rather than only through complaints or formal papers. It only works if the fund gives it structure and support, and if there is a clear route for what comes out of the forum to land in board and committee discussions with a response coming back down."
(UK)

Sector-based multi-employer schemes with member trustees

Some multi-employer or sector-based schemes sustain direct workforce representation on trustee boards, often through union or collectively elected routes. Royal Mail's CDC scheme, the Railways Pension Scheme and USS all retain union-elected trustees because they draw on established bargaining structures, union networks and strong sector identities. In these models, representation is routed through recognised workforce channels, often alongside

³⁷ Nest Corporation (2023)

formal negotiating forums embedded within scheme governance. These schemes demonstrate that multi-employer scale does not preclude effective member representation but does rely on organised structures that can recruit, support and sustain representatives.

“Once a scheme reaches real scale, you need some structured way of keeping member voice close to the ground. Advisory panels can work, and so can industry-based nominees, because they give you a regular route for issues to come in from different parts of the membership. The key is that it cannot be a talking shop. It needs a clear link into the board and committees, and it needs enough support to run properly, or it will fade out.” (UK)

Publication and feedback mechanisms

More schemes are implementing feedback loops to strengthen member voice. Some now publish summaries of member input alongside documented trustee responses to show how views have influenced decisions. Although these approaches improve visibility and accountability, they do not in themselves guarantee meaningful influence and risk becoming one-way communication tools if not backed by genuine power or representation. Their impact is greatest when combined with active efforts to understand member experience. UK interviewees stressed that workplace visits, call-centre insights, surveys and research helped trustees anticipate how decisions would land across different groups. Australian and Canadian representatives similarly noted that structured insight briefings alerted them to issues unlikely to surface through formal papers alone.

“You said, we did’ only works when the board is actually willing and able to change something because of what members told it, not just publish a tidy update afterwards. If you ask people for views and then nothing shifts, it turns into a one-way message and you lose credibility fast. The strongest versions are where member voice is built into governance, so concerns come into the room before decisions are locked in, not after. A panel or accountability body can help, but it is still advisory unless it has some leverage or representation connected to decision-making. If schemes want this to be real, they need to show a clear line from feedback to action, then go back and explain what changed, what did not, and why. Otherwise it is just communications, and members will read it as spin.” (UK)

Member voice can be sustained at scale when governance structures are designed to support it

Member voice can be maintained in large, complex schemes when governance structures provide stable constituencies, have real decision-making power, and provide strong support for representatives.

Sector- and union-based equal representation (Denmark, Sweden, Norway)

In Scandinavian systems, representation is rooted in sector-wide collective agreements rather than individual employers. Trustees are appointed by unions and employer

associations, and equal voting rights are built into this framework. Sector identity and union structures operate together, forming a reliable basis for large-scale member representation.

Interviewees identified three features that make this model effective:

- Stable member groups: representatives remain tied to the sector even when individual employers move.
- Structured support and training: unions provide technical training, political backing and ongoing guidance.
- Regular member contact: representatives are embedded in workplaces and union networks, maintaining insight into member concerns across large populations.

This integrated sector–union system keeps governance close to member experience and enables equal representation to function at scale. Dutch pension funds operate on similar principles, with unions and employer organisations nominating trustees and accountability body members for sector-based funds. Multi-sector funds such as PGB use sector committees and union-led nomination processes to maintain stable constituencies and structured feedback channels across diverse workforces.

“The constituency stays stable because it is tied to the sector through collective agreements, so the pension arrangement follows the job and the labour market structure rather than the individual employer. That means representation is not an add-on you have to invent each time; it is built into how the scheme exists and how contributions flow, which makes it easier to operate at scale. The unions and employer organisations already have organised constituencies in that sector, so they can nominate people who know the work and can sense what issues matter, without turning trusteeship into workplace bargaining. It also avoids the problem of representation drifting as people move jobs or as individual employers change ownership, because the reference point stays the sector and the people working in it. Inside the boardroom, representatives can act as trustees, but still bring practical awareness of member experience and blind spots that professionals may miss. The model works because the link between members and governance is structural, not a voluntary feedback exercise.” (Denmark)

Scheme-based equal-representation boards (Canada and Australia)

Canada and Australia use equal representation, typically 50:50 member and employer trustees, but the model is anchored in scheme-level governance design rather than sectoral identity. These representatives operate within large, multi-employer schemes but rely on a different set of enabling conditions.

Interviewees highlighted three key features:

- Equal authority: balanced voting power ensures member representatives have genuine influence.

- Committee-driven scrutiny: specialist committees (investment, benefits, administration) enable representatives to question advisers, test recommendations and shape proposals before they reach the full board.
- Intensive training and adviser support: strong induction, regular briefings and continuing education ensure representatives can engage with highly technical material.

Together, these systems demonstrate that equal representation can function effectively even in large and complex governance structures when supported by training, institutional capacity and clear roles.

These international models operate in different labour market and governance contexts, but they offer design principles relevant to the UK:

- Create coherent constituencies (e.g., sectoral or regional foundations rather than employer-by-employer structures).
- Provide structured support, training and adviser access so representatives can operate confidently in technical environments.
- Embed representative influence directly in decision-making—through equal voting power, defined roles, or strengthened committee structures.

The next section sets out a mixed model that draws on sector or union foundations while embedding equal or balanced representation within multi-employer schemes.

A mixed model: combining sector and union foundations with equal representation

A workable UK approach for multi-employer schemes could draw on two features seen in international systems: stable constituencies and equal or balanced representation within governance. Together, these provide continuity, legitimacy and meaningful influence at scale.

Stable constituencies

Defined constituencies can anchor member representation in multi-employer schemes by linking representatives to sectors, occupations or workplace networks rather than individual employers. Sector-based structures are particularly effective, as they remain stable even as employers join or leave, giving representatives a clear and durable mandate.

In the UK, constituencies could be supported through unions and employer bodies, workplace or regional networks, or dedicated representative or nominating bodies set up for this purpose.

This approach strengthens legitimacy, continuity and insight into how decisions affect different groups of savers.

Existing schemes such as Royal Mail, the Railways Pension Scheme and USS show that where strong sector identities or bargaining structures exist, effective representation remains viable at scale.

Equal-representation governance

Stable constituencies need to be matched by genuine influence. Equal or balanced voting power between employer and member representatives ensures representation is embedded in decision-making rather than operating in an advisory role. In UK multi-employer schemes, this could be delivered through:

- equal numbers of employer-appointed and member-appointed trustees
- balanced membership across key committees (investment, administration, operations)
- clear rights for representatives to challenge adviser recommendations
- transparent reporting on how member views influence decisions

This model supports meaningful representation without relying on elections alone.

Structural requirements: what the regulatory framework must provide

Introducing representation into large multi-employer schemes would require a regulatory framework that sets clear requirements that providers must meet. The regulator should:

- require trustee boards to include at least one-third member representation, or move towards equal-representation models
- encourage the use of structured constituencies (sectoral, occupational or regional)
- strengthen expectations around adviser transparency and accessible advice
- define minimum standards for trustee training, support and ongoing development

Scheme changes: what providers must deliver in practice

International evidence shows that representation only works at scale when schemes invest in the ability to run the scheme well, including oversight, controls and decision making. This includes:

- well-resourced secretariat teams,
- pre-meeting briefings and technical explainers,
- clear, jargon-free adviser papers,
- structured trustee development and ongoing training,
- access to member insight and research,
- tools to support structured challenge and transparent decision-making,
- peer networks and mentoring to build confidence and capability.

Interviewees consistently stressed that without this infrastructure, the role becomes overwhelming in large, complex schemes. As well as these formal requirements, providers would also have to ensure a culture where member representatives are able to play a full role in scheme governance.

Representation is most effective where:

- the chair welcomes challenge
- advisers communicate clearly
- boards avoid overly hierarchical styles
- trustees understand they serve all members, regardless of constituency.

As one interviewee noted, representation should complement technical expertise, not compete with it.

Conclusion

This chapter shows that the erosion of member voice in UK pensions is not an inevitable consequence of scale, but a result of governance design choices. As schemes consolidate into large, multi-employer structures, traditional employer-linked models of representation weaken, memberships become more heterogeneous, and constituencies become harder to define. In this context, advisory panels and feedback mechanisms can improve visibility but cannot, on their own, substitute for embedded member influence on trustee boards.

International experience demonstrates that member voice can be sustained at scale when governance frameworks provide stable constituencies, formal authority for representatives, and strong institutional support. Sector-based systems, equal-representation boards, and well-resourced governance structures show that representation remains viable – and often highly effective – in large and complex schemes, provided it is designed in rather than layered on.

For the UK, this points toward the need for new approaches to representation in multi-employer schemes—ones that move beyond elections alone and instead combine structured constituencies, balanced power, regulatory clarity and sustained investment in the ability to run the scheme well, including oversight, controls and decision making. Without these foundations, member voice risks becoming increasingly distant from decision-making as consolidation continues.

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