

**Biffa Pension Scheme**  
DC section

# Review

February 2024



**Do you have benefits in the DB section?**

If you do, please read our DB section newsletter.  
This is also on the Scheme website.

## From the Trustee Chairman

**Welcome to our latest newsletter, which brings you up to date with the DC section's progress.**

You are probably aware that the financial markets have been volatile in recent months, with rising inflation and interest rates causing particular challenges. This had an impact on many of the investment options in the DC section and, in turn, the savings building up in your Retirement Account.

At times like this it is important to remember that building up your retirement savings typically takes place over many years. This long timeframe can help your savings to recover from any difficult periods on the markets.

There is lots of helpful information on the Scheme website, which we explain in our 'Investment update' that starts on page 2. But if you want advice about your options and what might be best for you, we strongly suggest speaking to an independent financial adviser. See 'Getting financial advice' on page 9.

**Keith Jones**

Trustee Chairman

In our previous newsletter, we reported that Energy Capital Partners LLC (ECP) had acquired Biffa Plc. ECP share the same objectives for the long-term strategic direction of the Scheme and we will continue to build our relationship with them. We will keep you up to date with any future developments.

**Biffa**<sup>®</sup>

# Facts and figures

The information in this section is from the Scheme's latest audited Report and Financial Statements. It looks at the DC section's development over the year to 31 March 2023.

The Company closed the DC section to new joiners and most active members from 1 April 2019. Since then, most members' retirement savings have been transferred from the DC section to the Biffa Retirement Plan.

## **There were 267 members in the DC section on 31 March 2023.**

You are all deferred members. This means you and the Company no longer pay contributions to your Retirement Account, but you continue to invest the savings you have built up for the future.

## **The DC section paid benefits of £0.3 million during the year.**

This includes cash sums paid when members died and benefits paid to members who transferred their Retirement Account out of the DC section.

## **The DC section had total assets of £14.6 million on 31 March 2023.**

This is £0.9 million less than at 31 March 2022 – the result of difficult investment conditions during the year. See our 'Investment update' below.

## **Investment update**

No further contributions can be paid into your Retirement Account. However, the savings that build up in your account will continue to depend on the performance of the funds you choose to invest in. As such, it is important that you check your investment choices from time to time and make any changes that might be appropriate.

The DC section provides you with two investment approaches – FreeModel and LifeModel. There is a summary of these approaches on pages 3 and 4.



If you would like more details about the Scheme's development, the full report is on the Scheme website.



For more details about your investment options, please see your member guide. This is in the secure area of the Scheme website, so you will need to log in.

If you want to change the way you invest your Retirement Account, please contact the Scheme administrators and they will help you.

If you want to know more about the investment arrangements in the DC section, take a look at these documents. These are also on the Scheme website.

- Our Statement of Investment Principles sets out our investment objective and strategy, how we manage the various risks the Scheme faces, and how we work with the advisers and managers we appoint to help deliver our strategy.
- Our Implementation Statement explains how we have made our investment approach work. It includes examples that show how the investment managers have engaged with companies they invest in on environmental, social and governance issues, and the results of this engagement.

## FreeModel

Under the FreeModel approach, you choose the individual funds you want to invest in. There are currently eight funds available in the FreeModel range, as shown in the table on the right. Each fund carries a different level of investment risk and reward – it's up to you to identify the mix that you are happy with, and to adjust the balance between the two as appropriate as you get older.

## Fund

Fund	Performance to 31 March 2023			
	Return over one year		Average yearly return over five years	
	Actual	Benchmark	Actual	Benchmark
Global Equity Fund	-0.1%	-1.3%	7.9%	9.7%
UK Equity Index Fund	2.3%	2.9%	4.7%	5.0%
Ethical Global Equity Index Fund	0.5%	1.0%	11.7%	12.2%
Diversified Multi-Strategy Bond Fund	-0.6%	2.2%	0.3%	0.8%
Long-Term Inflation Fund	-29.7%	-30.4%	-4.2%	-4.1%
Pre-Retirement Annuity Protection Fund	-19.8%	-15.0%	-3.3%	-2.0%
Cash Fund	2.0%	2.2%	0.6%	0.6%
Multi-Asset Fund	-3.9%	2.2%	2.2%	0.8%

## LifeModel

LifeModel is an investment approach that automatically switches through a pre-set mix of funds as you approach retirement.

The Retirement Pathway is for members who are thinking about taking a flexible income from their savings as and when they want to, while leaving the rest invested. This is called 'income drawdown'.

The Retirement Pathway to Annuity is for members who plan to buy a pension.

The Retirement Pathway to Cash is for members who plan to take all of their Retirement Account as cash.

Fund	Performance to 31 March 2023			
	Return over one year		Average yearly return over five years	
	Actual	Benchmark	Actual	Benchmark
Retirement Pathway 2019-21	-3.4%	-1.7%	3.4%	3.9%
Retirement Pathway 2022-24	-3.5%	-1.8%	3.6%	4.3%
Retirement Pathway 2025-27	-3.5%	-2.0%	4.1%	4.9%
Retirement Pathway 2028-30	-3.6%	-2.2%	4.7%	5.6%
Retirement Pathway 2031-33	-3.4%	-2.2%	5.8%	7.3%
Retirement Pathway 2034-36	-2.8%	-2.3%	6.9%	9.0%
Retirement Pathway 2037-39	-2.0%	-2.4%	7.4%	9.3%
Retirement Pathway 2040-42				
Retirement Pathway 2043-45				
Retirement Pathway 2046-48				
Retirement Pathway 2049-51				
Retirement Pathway 2052-54				
Retirement Pathway 2055-57				
Retirement Pathway 2058-60	-2.0%	-2.4%	n/a	n/a
Retirement Pathway 2061-63				
Retirement Pathway 2064-66				
Retirement Pathway 2067-69				
Retirement Pathway 2070-72	-2.0%	-2.4%	n/a	n/a
Retirement Pathway Perpetual	-3.2%	-1.4%	2.0%	2.2%
Retirement Pathway Annuity Perpetual	-14.5%	-10.7%	-2.2%	-1.3%
Retirement Pathway to Annuity 2019-21	-14.5%	-10.7%	-2.1%	-1.1%
Retirement Pathway to Annuity 2022-24	-12.7%	-9.1%	-0.1%	1.0%
Retirement Pathway to Annuity 2025-27	-5.8%	-3.2%	n/a	n/a
Retirement Pathway to Cash 2019-21	1.9%	2.2%	1.1%	1.3%
Retirement Pathway to Cash 2022-24	0.2%	0.4%	3.4%	3.6%
Retirement Pathway to Cash 2025-27	-2.6%	-1.5%	n/a	n/a

# News update

The Pensions and Lifetime Savings Association reviews and updates the Retirement Living Standards on a regular basis. Visit their website to find out more.  
[www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

## Retirement Living Standards update

If you want a moderate standard of living when you retire, you will need to be able to spend around £31,300. If you have a partner or live in London, you will need even more.

This is one of the headlines from the latest Retirement Living Standards research, which help you to picture the kind of lifestyle you could have when you stop work, and roughly how much you might need to support that lifestyle.

The Retirement Living Standards change over time in line with the cost of living. The latest figures – shown in the table below – were published in January 2024.

Living standard	How much you might need to spend each year	
	If you're a single person	If you're a couple
<b>Minimum</b> Covers all your needs, with some left over for fun	£14,400	£22,400
<b>Moderate</b> More financial security and flexibility	£31,300	£43,100
<b>Comfortable</b> More financial freedom and some luxuries	£43,100	£59,000



Make sure you are on course to achieve the standard of living you want when you retire.

Your starting point is the State Pension, which will be a key part of most people's retirement income. The new State Pension is currently £10,600 a year, but not everyone will receive the full amount. [See 'Do you need to top up your State Pension?' on page 6.]

On top of this, you will receive the benefits that your Retirement Account provides. See your latest benefit statement for details.

If you have benefits in other pension arrangements, check that you have up-to-date information about what you are likely to receive.

If you don't, contact the administrators of these arrangements and ask them to send you the details you need.

Add up all these benefits. If the figure you get indicates you might need a bigger income when you retire, take any steps that might be appropriate.

## Do you need to up your State Pension?

Your State Pension will be an important part of your income when you retire, but the amount you receive depends on the National Insurance (NI) contributions you pay. This means that if you have gaps in your NI record – for example if your earnings have been below a certain level in the past or you have been unemployed – you might not receive the full amount of State Pension.

Importantly, if you do have gaps in your NI record, you might be able to pay voluntary NI contributions to make up the shortfall. This could increase the State Pension you receive.



Use the calculator on the Government website to check how much your State Pension might be and if you have scope to increase the amount you receive.

**[www.gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)**

Check your NI record and learn more about paying voluntary NI contributions.

**[www.gov.uk/voluntary-national-insurance-contributions](https://www.gov.uk/voluntary-national-insurance-contributions)**

If you need help with this, consider speaking to an independent financial adviser (see page 9).



### **Are you a man born after 5 April 1951 or a woman born after 5 April 1953?**

If you have any gaps in your NI record between April 2006 and April 2017, you now have more time to fill them up.

The original deadline to make up any gaps between April 2006 and April 2016 was 31 July 2023. The Government has now set a new deadline of 5 April 2025.

The same new deadline applies if you want to make up any gaps for the 2016/17 and the 2017/18 tax years.

This gives you longer to check your NI record and, if there are gaps, work out if you would benefit from filling them in.

From 5 April 2025, you will only be able to pay voluntary NI contributions to cover gaps in the past six tax years.



## Dashboards delay

The government has decided to delay the 'pensions dashboards' project we told you about in our previous Review.

When the dashboards are up and running, you will be able to see information about all your pension benefits in one place online. This will include your DB section benefits and any benefits you have built up in other pension schemes.

The plan was for schemes to start connecting to the dashboards in stages, starting this year. However, this is a complex project and the government wants to give all parties involved more time to get everything in order.

The new plan is for all schemes to connect to the dashboards by 31 October 2026. We will keep you up to date with developments.

## Have a Money Midlife MOT

If you are between the ages of 45 and 65, MoneyHelper has a new online tool that aims to help you stay in control of your finances – today and as you plan for the future.

The Money Midlife MOT asks you a series of questions about your finances. [You do not need to give any personal details when you answer.] You then get a report that sets out areas where you might be able to make improvements – for example looking after everyday money matters or saving for retirement. Your report also includes links to guidance on how to stay in control of your financial wellbeing.



Take five minutes out of your day to have a Money Midlife MOT.  
**[www.moneyhelper.org.uk/en/everyday-money/midlife-mot](https://www.moneyhelper.org.uk/en/everyday-money/midlife-mot)**

## Stay in control

Your retirement savings are valuable and – as pension scams remain a big problem – it is important that you know how to keep them safe.

There is lots of useful, up-to-date information on the MoneyHelper website. This includes an overview of the different types of scams you need to be aware of, and tips on how to spot protect yourself from them.



Take a few minutes to read the information on the MoneyHelper website  
– it will be time well spent.

**[www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam](https://www.moneyhelper.org.uk/en/money-troubles/scams/how-to-spot-a-pension-scam)**

If you are thinking about making a change to your pension arrangements  
– for example, transferring benefits out of the Scheme – make sure you receive  
advice from a suitably qualified financial adviser (see page 9).

# Running the Scheme



## The Trustee

The Scheme is run separately from the Company by a body called Biffa Pension Scheme Trustees Limited.

There are currently six Trustee Directors. Three have been appointed by the Company and three have been nominated by members.

Together, we are responsible for running the Scheme in line with all members' best interests and pensions law.

### Company Trustee Directors:

- Keith Jones (Chairman)
- Bhavdeep Grewal
- Richard Plaice

### Member-nominated Trustee Directors:

- Simon Bott
- Tim Lowth
- Emily Munnoch

The Trustee Directors are also responsible for appointing a team of advisers to assist us in areas where particular expertise is required. These advisers include the Scheme actuary, administrators, investment consultant and managers, auditor and legal adviser. There is a list of our current advisers in our latest Report and Financial Statements.

# Finding out more

## The Scheme website

The website contains general information about the Scheme and your benefits.

<https://pensioninformation.aon.com/biffa>

## The Scheme administrators

If you cannot find the information you need on the Scheme website, or if you need to speak to someone about your benefits, please contact the Scheme administrators:

- Phone: **0370 850 2883**
- Email: **[biffa.pension.scheme@aon.com](mailto:biffa.pension.scheme@aon.com)**
- Write to: **Biffa Pension Scheme, Aon,  
PO Box 196, Huddersfield, HD8 1EG**

If you phone the Scheme administrators, make sure you have your DC section reference number to hand. (If you are also a member of the DB section and have a question about your DB benefits, you will need your DB section reference number.)

If you write in or send an email, please include your full name, date of birth and reference number(s).

## MoneyHelper

MoneyHelper is a free, impartial guidance service that provides support on a wide range of financial topics including pensions.

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

MoneyHelper also runs the Pension Wise service. This is a special service for members like you who have retirement savings in a DC pension scheme. Use Pension Wise to learn about the different ways you could use your Retirement Account. If you are aged 50 or over, you can also book a free appointment with a specialist to talk through your options.

[www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise](http://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise)



If you are struggling with the challenges posed by the rising cost of living, there is a special section on the website that aims to help you get back on top of things.

[www.moneyhelper.org.uk/en/money-troubles/way-forward](http://www.moneyhelper.org.uk/en/money-troubles/way-forward)

## Getting financial advice

We are unable to give you financial advice about your benefits, tax position or retirement. If you would like personalised financial advice, we strongly suggest speaking to an independent financial adviser ('IFA').

If you don't already have an IFA, there is helpful information on how to find one on the MoneyHelper website. There is also a directory of IFAs who are regulated by the Financial Conduct Authority.

[www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser](http://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser)

Remember that you will have to pay for any advice you receive.



If you would like to receive a printed copy of Review in future, please tell the Scheme administrators. You will need to give them your Member Number. This will be on any letters they have sent you.