



Newsletter 2019

Welcome to your latest Plan newsletter, keeping you up to date with your pension benefits and wider pensions news.

Winter 2019

In this issue

Inside this issue you can find the usual facts and figures summarising how the Goodyear Dunlop UK Limited Pension Plan (the 'Plan') has developed over the year. I am pleased to say that, as at 5 April 2019, the Plan was estimated to be 107% funded on the ongoing measure the Trustee uses to monitor the Plan's funding level, and we continue to be on the lookout to improve this further.

On pages 3-6 you can find summary figures from the formal Plan accounts at 5 April 2019, including membership numbers, total cashflows paid out of the Plan, and the Plan's asset performance against the benchmark.

We also cover a selection of topical pension news items which you may find relevant, and on page 8 we include a useful article on financial advice, with tips on how to find an adviser and what questions to ask.

Behind the scenes, there have been some recent changes to the Trustee Board. I would like to thank Capital Cranfield Pension Trustees Limited (represented by Susan Anyan), Michael Wynn and Phil Pearce for their service as Employer Nominated Trustees and welcome Malcolm Goodall and John Borgogno as their replacements. Both Terry Cox and Dave Roper remain in place as Member Nominated Trustees.

I would also like to thank Gary Price for his time as Chair of the Trustee, a position he stepped down from earlier in 2019. However, I am pleased to confirm that Gary remains an Employer Nominated Trustee.

Finally, I would like to introduce myself as your new Chair of the Trustee. I am looking forward to continuing all of the hard work done to date in maintaining the highest standards for the Plan.

Please be assured that Malcolm, John and I all have experience with pensions and/or worked in the UK business. I've set out some information overleaf which outlines our relevant experience:

Summary Funding Statement pg **3**

In numbers pg **5**

Investment update pg **6**

News bites pg **7**

More information pg **9**

Privacy Notice pg **11**

Michael McNulty

I have consistently worked on pension-related matters in the United Kingdom, the United States and throughout Europe whilst at Goodyear for the last 14 years, including as Finance Director of Goodyear Dunlop UK and Ireland in 2013 and 2014. Prior to my role at Goodyear, I was an auditor at Ernst & Young between 1997 and 2005. I am also a Certified Public Accountant.

Malcolm Goodall

Malcolm has served in the past as a trustee of Goodyear's Australian defined benefit plan. Through his role at Goodyear's Treasury Centre based in Luxembourg, Malcolm has had broad exposure to Goodyear's pension schemes throughout Europe, including Luxembourg, The Netherlands and the UK.

John Borgogno

John is currently the Director of Financial Planning and Analysis EMEA at The Goodyear Tire & Rubber Company, based in Brussels. Since joining the Goodyear group in 2004, John has held a variety of finance roles in various jurisdictions (including the UK, South Africa and Italy).

Please see page 10 for further information on the Trustee board and the Plan's advisers.

Away from the Plan, at the time of writing, the political landscape and the terms of Brexit remain uncertain. The EU has agreed a further extension to the Article 50 process to 31 January 2020, with flexibility for the UK to leave before this deadline if the Withdrawal Agreement is approved by parliament. In addition, parliamentary elections are scheduled for 12 December 2019 with the aim of resolving the current political deadlock.

Brexit's clearest impact to date on the economy is on business investment, with many companies not surprisingly putting plans on hold.

As Trustee, we will continue to manage the Plan to the highest of standards, monitoring the impact of Brexit on the Company and the Plan closely and preparing appropriate strategies for any outcome. The Plan's Liability Driven Investment holding (designed to help protect the Plan's financial position against adverse market movements in interest rates and inflation rates) protects the Plan against adverse market movements likely in a 'No Deal' scenario. The Plan's return-seeking bonds aim to provide positive absolute returns in all market environments and should not be impacted materially as a result of any Brexit outcome.

Please do get in contact if there are topics you would like us to cover in a future issue or if you have a question. The contact details are on page 9.

Michael McNulty

Chairman of the Trustee

Summary Funding Statement

This section summarises the results of the funding update at 5 April 2019. It also looks at the most recent previous results. These financial health checks are vital for monitoring the Plan's progress. We hope the information helps you to understand how the Plan is developing.

The latest position

The table below shows how the funding position has changed since the last valuation at 5 April 2017 and the last funding update at 5 April 2019.

	Update	Update	Valuation
Date	5 April 2019	5 April 2018	5 April 2017
The funding level	107%	108%	105%
The funding target	£1,214 million	£1,243 million	£1,321 million
The value of the Plan's assets	£1,299 million	£1,343 million	£1,392 million
The overall position	surplus of £85 million	surplus of £100 million	surplus of £71 million

The latest update shows that the funding level has slightly deteriorated since the update at 5 April 2018. However, this still represents an improvement in the funding position since the last valuation at 5 April 2017.

The next financial check will be based on the Plan's position at 5 April 2020, where we will carry out a full valuation of the Plan. We will report on the results once they are complete.

It is important to remember that it is normal for pension plan funding levels to fluctuate over time. Although the Plan Funding Level is currently above target, should the funding fall below the target level, the Plan will continue to pay benefits in full as long as it continues.

Reasons for the change

The funding target for the Plan has decreased steadily since 2017 from £1,321 million to £1,214 million in 2019. This is mainly due to benefits paid out of the Plan, in particular the Enhanced Transfer Value exercise undertaken last year (please see the March 2019 newsletter for details). The reduction in the funding target has been partially offset by changes in market conditions which have increased the value of members' benefits in the Plan.

The Plan assets have also decreased over the period, again due to benefits paid out of the Plan. This decrease has been partially offset by positive investment returns.

Summary Funding Statement

Financial support

As the Plan is in surplus, the Company is not required to pay any deficit removal contributions, however the Company continues to provide financial support by paying most administration and running expenses which during the plan year ending 5 April 2019 amounted to £3.5M.

The next formal valuation will look at the Plan's position at 5 April 2020. This will include evaluating whether any deficit removal contributions will be required from the Company.

The Pensions Regulator

The Pensions Regulator is the UK watchdog of workplace pension schemes. The Regulator provides guidance and support to schemes and has a number of enforcement powers. The Trustees provide information on the Plan to the Regulator each year. You can find out more about the Regulator online at www.thepensionsregulator.gov.uk.

If the Plan came to an end

The Plan's funding level is worked out in two ways.

- The 'ongoing' basis, which assumes that the Plan will continue into the future.
- The 'full solvency' basis, which shows the funding position if the Plan started to 'wind up' at the date of the update. If this happened, all members' benefits would have to be secured without delay by buying insurance policies. This would be more expensive than paying benefits gradually over time so the full solvency position funding level is generally lower than the ongoing position, even for fully funded pension schemes.

At 5 April 2017, the Plan's full solvency funding level was 80% with a shortfall of £339 million.

Please note that we are legally required to report the full solvency position as part of this funding statement. The Company has no current plans to end the Plan.

We must also tell you if there have been any payments to the Company out of Plan funds in the last 12 months. There have not been.



In numbers

The membership

At 5 April 2019 there were 9,499 members in the Plan compared with 9,994 members at the same date last year.

3,379	Deferred members - no longer building up benefits but have benefits in the Plan for when they retire.
6,120	Pensioner members - receiving benefits from the Plan (and including the dependants of members who have died)

The accounts

Here we show headline figures from the Plan's Annual Report and Accounts. If you would like more detail, please request a copy of the full report using the contact details on page 9.

The value of the assets supporting the Plan at 5 April 2019

£1,299m



The decrease in the value of the assets over the reporting year

-£44m



The total value of benefits paid to members during the year

£114m



Investment update

As Trustee, it is our responsibility to decide on the overall investment strategy, and to make changes as and when appropriate. We work closely with our investment advisers and we keep a close eye on how the funds are performing.

Asset allocation

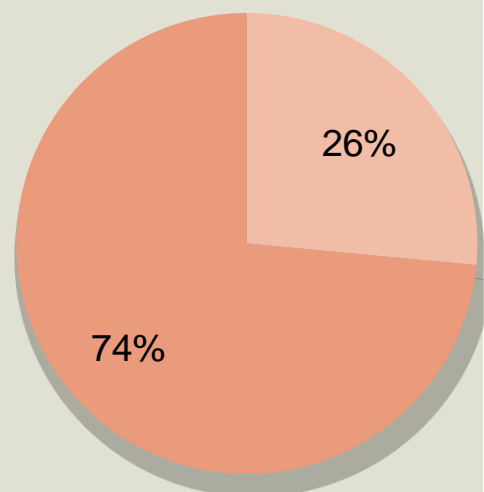
At 5 April 2019, the Plan held assets of £1,299M compared with £1,343M at the same date last year (not including AVCs*).

The chart adjacent shows how the Plan's investments were allocated at 5 April 2019, across asset types.

- Return-seeking bonds 26%
- Liability driven investment 74%

The Liability Driven Investment (LDI) is designed to help protect the Plan's financial position against adverse market movements in interest rates and inflation rates.

*AVCs are Additional Voluntary Contributions which allowed members to top up their benefits in the Plan. AVCs have not been included in the above chart since the AVCs are assets of the individual members rather than the collective asset of the Plan.



Performance

The table below shows how the Plan's investments have performed compared with their agreed benchmarks. Each benchmark is an agreed indicator of how the fund is expected to perform bearing in mind economic and market expectations.

	1 April 2018 to 31 March 2019		1 April 2016 to 31 March 2019 (% per year)	
	Performance	Benchmark	Performance	Benchmark
Plan investments	4.9%	5.4%	8.9%	8.0%

You can see that performance was positive over the year ended 31 March 2019, although that fell short of the target returns. However, over the three-year period we saw positive returns with the Plan's investments exceeding their target returns.

We will continue to monitor performance and make any changes we feel are necessary.

GMP equalisation

In our previous issue, we reported on how the ruling on equalisation for guaranteed minimum pensions ('GMPs') might affect the Plan and some members. This is a complex area and we are continuing to work with our advisers to identify if and how members are affected. We will provide an update in our next newsletter.

In the meantime, recent developments include:

- A second High Court hearing was held in December 2018. The judgment provided some further clarification for pension schemes, though more hearings in the future remain a possibility.
- A new industry group has been formed, brought together and chaired by the Pensions Administration Standards Association ('PASA'), to help schemes follow the High Court's ruling.
- The Department for Work and Pensions has published its first version of statutory guidance on equalising GMPs by converting them into different benefits.
- HMRC has set up its own working group to consider the pension tax issues that may arise from GMP equalisation.

GMP Reconciliation

The Plan has also been undertaking a GMP Reconciliation exercise, in which the Plan's records have been checked against those held by HMRC.

The Plan has now completed the review of its GMP records and is in the process of making corrections to the Plan's GMPs, where necessary.

Some of you may now have received letters outlining changes in respect of this.

The reconciled GMP figures will be used for any future GMP equalisation amendments, as outlined above.

Pension tax allowances

Please remember that it is your responsibility to understand your tax position for the Annual Allowance and Lifetime Allowance.

The Lifetime Allowance increased to £1.055 million for the 2019/20 tax year. It is expected to rise in line with inflation each year, as measured by the Consumer Prices Index. The Annual Allowance has not changed for 2019/20.

You can find information about the allowances online at www.gov.uk/tax-on-your-private-pension/overview.

One place for money and pensions support

A couple of years ago, the Government pledged to combine the Pensions Advisory Service, the Money Advice Service and Pension Wise. Why? To make it easier for people to get help and guidance about pensions and finances.

The new organisation is called the Money and Pensions Service. It came into effect at the start of the year and took on its new name on 6 April 2019 although, at the time of writing, the three guidance bodies retain their individual identities. Work continues behind the scenes and the merger is expected to complete during 2019. We will keep you updated.

Go to www.moneyandpensionservice.org.uk to find out more.

Our vision: 'Everyone making the most of their money and pensions'

Introducing the Money and Pensions Service

We are now called the Money and Pensions Service, replacing our temporary name of the Single Financial Guidance Body.

Set up by government, we are bringing together three respected bodies of financial guidance: the Money Advice Service, the Pensions Advisory Service and Pension Wise into one single organisation.

Our new brand is the first step on our journey.

Our journey

January 2019	April 2019	April to Sept 2019	Autumn 2019
The Single Financial Guidance Body comes together	Launch of Money and Pensions Service Brand	Listening phase. Developing a new integrated service	Launch of National Strategy and three-year corporate plan

Help to shape our future

As a new organisation, our mission is to put the customer at the heart of all we do, working collaboratively with you as key stakeholders, to ensure that all UK citizens can easily access the information they need to make the right financial decisions throughout their lives.

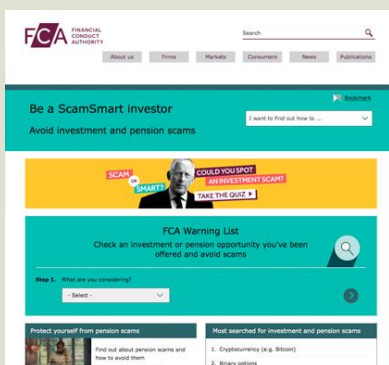
Pension fraud: are you ScamSmart?

Pension fraud remains a threat to your savings so it's important that you know what warning signs to look out for and are aware of the risks.

The Government is trying to help to tackle the problem and has banned cold calling about pensions. Companies can no longer make unsolicited calls and those that do could face significant fines.

Note that not all calls about pensions have been banned. To be legal, the caller must be Financial Conduct Authority (FCA)-authorised, or the trustee or manager of your Plan, and you must either have agreed to receive calls from the caller or have an existing client relationship with the caller and have not opted out of receiving such calls.

The Financial Conduct Authority has also launched a ScamSmart campaign. Go online to **www.fca.org.uk/scamsmart** and take the quiz to see if you could spot a scam.



Follow their three rules to keep your savings safe:

- Reject unexpected offers
- Spot the warning signs
- Check if a firm is FCA-authorised

If someone approaches you with an offer that sounds too good to be true, know what to look for and what your next steps should be.

If you have any doubts about the legitimacy of any offer you receive, speak to an expert before you sign up for anything.

If you think you may be a victim of a pension scam, contact Action Fraud. Phone **0300 123 2040** or go to their website, **www.actionfraud.police.uk**, and fill in an online fraud report.

Financial advice

Before taking a transfer value, you may wish to seek advice from an Independent Financial Adviser (IFA), who can help you to understand your options. They will require some personal details surrounding your finances and health in order to provide you with the right advice. Indeed, if the transfer value of your DB benefits is more than £30,000 you must take IFA advice from an appropriately qualified and FCA-approved adviser before your transfer value can be paid.

To help you choose a suitable IFA, we have set out some things to think about.

- 1) You should always be sure that they are appropriately qualified to provide pensions transfer advice. Only individuals qualified as a Pension Transfer Specialist can give advice on pension transfers. You should check the adviser has this qualification.
- 2) Consider the level and experience the adviser has. Look at the service they offer and think about how they will interact with you. Ask them how many transfers from 'defined benefit' pension schemes they have advised on.
- 3) Are you clear on how the IFA will charge for their advice? It is important to make sure that the fees you pay are reasonable. Remember though, that for many people, their pension pot is the most valuable asset they have (even more than their home), so getting professional advice is important. You may want to ask the following questions before you take advice:
 - "Can you confirm in pound terms, the fee you receive if I don't go ahead with the transfer, and the fee you receive if I do go ahead with the transfer?"
 - "Can you confirm if you will receive or request any ongoing supplementary fees after my transfer is made, and if so, what these are likely to be in pound terms?"
- 4) Before proceeding with a transfer, it is important that you understand all of your options. There are likely to be a variety of options available to you if you transfer. For example, you could buy an annuity, take all your pension savings as a one-off cash sum, or choose to take income over a period of time. Your adviser should provide you with a written recommendation as to whether you should transfer, and if they think that you should do so, which option they recommend for you (along with details as to how they have reached their recommendation).

More information

To find out more about the Plan, please use the contact details below.

For more general information on pensions and saving for retirement, the following websites are useful resources.

www.moneyadviceservice.org.uk

The Money Advice Service provides general advice on all money matters including pensions and finding an independent financial adviser.

www.gov.uk

The Government's website features a section 'Working, jobs and pensions', which includes a State Pension Age calculator.

Early Resolution Service

If you have a concern about your benefits, contact the Early Resolution Team:

Go to www.pensions-ombudsman.org.uk/our-service/make-a-complaint

Phone: **0800 917 4487** and select the option to discuss a potential complaint

Email: helpline@pensions-ombudsman.org.uk

Reminder to keep us up to date

Please let us know if you change your name or address so we can continue to contact you about the Plan and your benefits.

Please also update your Expression of Wishes form if you need to. This tells us who you would like to receive any benefits that may become payable in the event of your death. As the Trustee, we have the final say over who receives the benefits. We will consider your Expression of Wishes form, so if you have never filled one in, or you have not done so recently, particularly if your circumstances have changed, please complete a form and send it to us.

Please use the contact details on this page to request a blank form.

Taking advice

If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser (IFA). You can find an adviser in your area by searching the Money Advice Service directory at

<https://directory.moneyadviceservice.org.uk/en>.

Before you appoint anyone, you should check that the adviser is suitably qualified and authorised.

You can do this online at <https://register.fca.org.uk> or by phoning the Financial Conduct Authority helpline, **0800 111 6768**.

Contact point

Please use any of the methods below to get in touch with the Plan Administration team.

Email: GoodyearDunlop@aon.com

Phone: 0330 123 9083

(lines open Monday - Friday, 9am - 5pm)

Write to: Goodyear Dunlop UK Limited Pension Plan
Aon
PO Box 196
Huddersfield
HD8 1EG



Behind the scenes

As Trustee, we maintain up-to-date knowledge of pensions, investments and finance. We also attend training courses as and when necessary, for example, when pensions legislation changes. We meet regularly throughout the year to discuss the Plan's progress.

There have been some changes to the Trustee Board during the year and these changes are shown in the table below. The Board is made up of Company-appointed Trustees and member-nominated Trustees.

Company-appointed	Company-appointed (continued)
G Price	M McNulty (appointed 23 May 2019) (Chair)
M Wynn (ceased 23 May 2019)	S Anyan (Capital Cranfield Pension Trustees Ltd) (ceased 23 May 2019)
P Pearce (ceased 23 May 2019)	Member-nominated
J Borgogno (appointed 1 September 2019)	T Cox
M Goodall (appointed 23 May 2019)	D Roper

We also appoint professionals to support us on areas of particular expertise.

Administrator	Aon
Actuary	Paul Crocker, FIA, Aon
Auditor	Edwards Chartered Accountants
Investment Adviser	Aon
Legal Adviser	Eversheds Sutherland

Privacy notice

The Trustee holds some personal information which we need in order to administer the Plan. Without your personal information, we cannot provide you and your dependants with the correct benefits at the right time. This will include personal information about you, such as your name and contact details, information about your pension contributions, age of retirement, and in some limited circumstances information about your health (where this impacts your retirement age). The purposes for which your personal information will be used include:

- Management of the Plan and your membership within it;
- Calculate and pay benefits;
- Funding the Plan (i.e. helping to ensure that the funds within the Plan are sufficient to cover the members who are party to it);
- Liability management (that is to say providing advice on the different ways benefits could be determined, and drawn, from the Plan);
- Scheme actuary duties (which include assessing individuals who are members of the Plan and assessing how the make-up of the membership may affect the amounts payable and when they become payable so as to manage the Plan appropriately);
- Regulatory compliance;
- Process and service improvement and benchmarking.

We may pass your personal information to third parties such as advisors and benefits providers, insurers and to certain regulatory bodies where legally required to do so. Depending on the circumstances, this may involve a transfer of data outside the UK and the European Economic Area to countries that have less robust data protection laws. Any such transfer will be made with appropriate safeguards in place.

More detail about our use of your personal information is set out in our full Privacy Notice which has previously been sent to you. If you need a further copy, please contact us using the contact details on page 9.

