

## Newsletter 2017

Welcome to this year's newsletter which covers the period from 6 April 2016 to 5 April 2017. Inside we bring you up to date on developments to the Plan and wider pensions news

### February 2018

I wanted to take this opportunity to update you about the Goodyear Dunlop Tyres UK Limited Pension Plan. In our role as Trustee we regularly monitor the health of the Plan and, unlike many other plans you might read about in the news, we are currently more than 100% funded on the ongoing funding measure the Trustee uses to monitor the Plan's funding level (known as the 'technical provisions' basis).

Furthermore we are working closely with the Company to improve the funding level further, and we are discussing ways in which we can reduce the investment risk we hold within the Plan.

One action the Trustee has decided to take to reduce the risks in the Plan is to carry out an exercise known as an Enhanced Transfer Value exercise. This exercise will give the majority of non-pensioner members an option to transfer their benefits, with an enhancement, out of the Plan. This exercise is fully endorsed by the Trustee and the intention is that it will provide members with additional flexibility, if they want it, and also improve the security of benefits for those that remain in the Plan. More details can be found on page 3.

You can find summary figures from the formal Plan accounts on page 4, including membership numbers and the Plan's key incomes and expenses.

The outcome of the EU referendum and the ongoing uncertainty surrounding the nature of 'Brexit' continues to affect the financial markets. As Trustees, we continue to carefully monitor the situation with the support of our advisers, and we will make changes to the Plan's investments as and when it is deemed appropriate. You can find summary investment figures on page 5.

### In this issue

Member options	pg 3
In numbers	pg 4
Investment update	pg 5
In the news	pg 6
More information	pg 8
Personal data	pg 9

Away from the Plan, we have rounded up other pension's news that may affect you – please see pages 6 and 7. In particular, remember to be alert to the threat of pension scams and take action if you think any offer you receive is suspicious.

As Trustees, it is our responsibility to manage the Plan in line with its Rules and wider pensions law. We have included a full line-up of the Trustees – and our appointed advisers – on page 8.

You may have recently received a letter from the Company regarding the Funeral Benefit payments that have been paid on the death of certain ex-Goodyear employees. This letter explained that the Company wishes to stop granting this Funeral Benefit. They have set out in their letter the reasons why and have asked that any feedback be received by 3 March 2018. It should be noted that this is a Company benefit, not a Pension Plan benefit, and payment is the responsibility of the Company. Therefore, we would ask that all queries regarding this benefit are directed to:

Rachel Ridgill, HR Director UK & Ireland, Goodyear Dunlop Tyres UK Limited, 2920 Trident Court, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7YN

### **Plans for the future**

Over recent years, the Pension Plan has seen a significant improvement in its funding position as a result of the Trustee's investment strategy and Company contributions. As part of our continuing review process, the Trustee and the Company are discussing a variety of potential de-risking options for the future of the Plan. This includes investing in additional low risk assets, offering deferred members the option of transferring their benefits out of the Plan and considering whether it could be affordable to secure all or a portion of the Plan's benefits with an insurance company at some point in the future. The process for securing benefits with an insurer is known as a 'buy-out' which means total responsibility for funding and paying Plan benefits would pass to a regulated insurance company. A buy-out would likely require significant additional contributions by the Company and there is no current expectation that the Company is financially able to pursue this in either the short-term or the long-term. While there can be no assurance that these discussions will result in any meaningful actions, the Trustee nonetheless view the willingness of the Company to engage in this type of dialogue with the Trustee as extremely positive. The Trustee will continue to provide updates on the long-term direction for the Plan in future communications.

Finally, I would like to thank Colin Bozier, who retired from his role of Pensions & Finance Support Manager from the Company in December 2016 for all his hard work and contributions towards the smooth running of the Plan. Thankfully Colin has continued to support the Trustee, given his experience and knowledge of the Plan and still plays an active role in the running of the Pension Plan.

I hope you find this newsletter helpful. Please get in touch if you have a query about the Plan or your benefits. The contact details are on page 8.

### **Gary Price**

Chairman of the Trustee

**GOODYEAR DUNLOP**  
UNITED KINGDOM AND IRELAND  
**PENSIONS**

# Member Options

## A pension option for deferred members

Recent changes to pension's law mean that people now have more freedom over how they can receive their retirement benefits. But, in order to access the additional flexibility, you would first need to transfer the value of your Plan benefits to another arrangement. With this in mind, the Trustee will soon be writing to most non pensioner members to tell you about an 'enhanced transfer value' option that we intend to make available for a limited period.

This option will only be available to Plan members who are not yet receiving their pension, and it will include the chance to receive free, impartial financial advice on your options for receiving your benefits.

## Your enhanced transfer value option

For a limited period, the Trustee will be giving you the option of receiving an enhancement if you decide to transfer your benefits out of the Plan. This 'enhanced transfer value' offer will be for an amount which is higher than the amount normally available (known as your 'cash equivalent transfer value'). The difference between your cash equivalent transfer value and the enhanced transfer value will be set out in the offer letter from the Trustee.

In addition, the Trustee will make available to you free, independent financial advice to help you make a decision on the offer.

We believe some people will value the flexibility of having more retirement options, which may be possible by transferring out of the Plan. However, the enhanced transfer value option will not be suitable for everyone. The independent financial advice that the Trustee is making available, and paying for, is designed to help you decide whether or not it is the right thing for you.

There are some advantages to the Trustee and the Plan of making this offer. As well as offering added flexibility for members, the responsibility for paying the benefits of those members who do transfer out will be extinguished (meaning those members will cease to have a right to a pension from the Plan). This reduces the risks being run in the Plan which will benefit remaining Plan members.

## Options for your benefits

In most cases you have the following options for receiving your Plan benefits. If you haven't yet retired:

- You can leave them in the Plan until you reach normal retirement age (normally age 60 or 65) or later, and then start to receive your pension from the Plan;
- You can leave them in the Plan and start to receive your pension early (from age 55). Your pension will be reduced to reflect that it will be payable for longer; or
- You can transfer your benefits out of the Plan into another pension arrangement which may give you access to more flexible retirement options. You can transfer your benefits at any time, though you will not be able to start receiving them until age 55. These flexible retirement options are discussed in more detail on page 6 of this newsletter.

The amount you can take from the Plan and transfer to another pension arrangement is known as your 'transfer value'. The transfer value (also called a 'cash equivalent transfer value') takes the form of a lump sum representing the value of your deferred benefits in the Plan. Once a pension is in payment from the Plan, it cannot be transferred elsewhere.

## More information coming soon

If you are a deferred member, you will receive a letter from the Trustee in the next month or so setting out more details.

## The membership

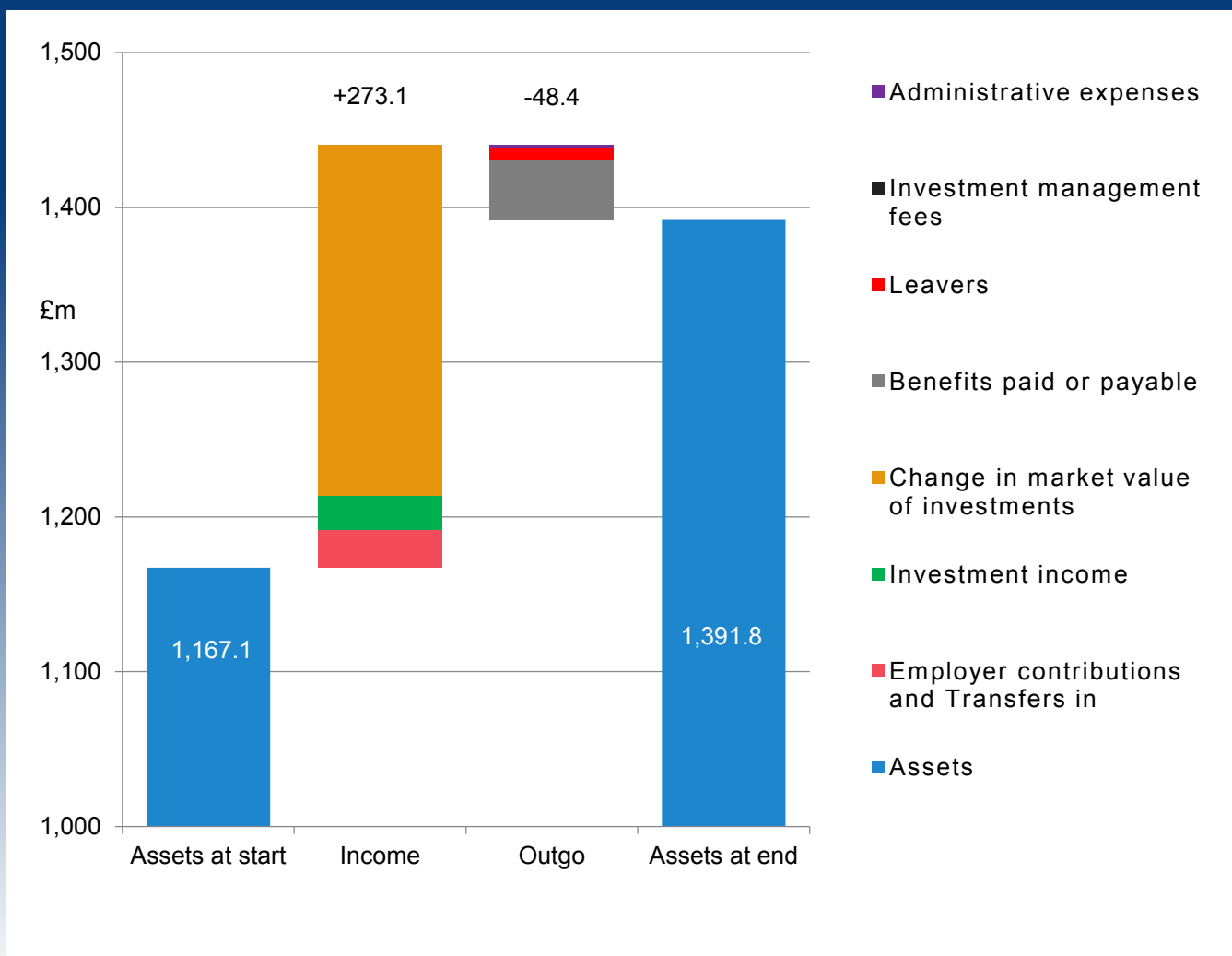
At 5 April 2017 there were 10,228 members in the Plan compared with 10,450 members at the same date last year.

	At 5 April 2016	At 5 April 2017
Deferred members	4,482	4,269
Pensioner members	5,968	5,959

- Deferred members no longer pay contributions, but they have benefits in the Plan for when they retire.
- Pensioner members are receiving benefits from the Plan.

## The accounts

The table below shows the income and expenditure in the Plan for the 12-month period ending 5 April 2017. Our appointed auditors have verified that the figures are accurate. Please get in touch if you would like more detail on the accounts.



# Investment update

As Trustee to the Plan, 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 the end of the Plan year, the Plan held assets of £1,391.8M compared with £1,167.1M at the same date last year.

The pie chart on the right shows how the Plan's investments were allocated at 5 April 2017, across the different types of assets.

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, both of which could otherwise reduce the Plan's funding level.



## Performance

Overall Plan performance for the year was 20.0% compared to the benchmark return of 16.6%

## Investment strategy

When setting the investment strategy, the Trustee needs to strike the right balance between (i) the expected investment return on Plan assets and (ii) the level of uncertainty around those expected investment returns. In order to achieve the right balance between (i) and (ii), the Trustee decided to invest in some of the more complex types of assets available.

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



## A recap on flexible retirement options

As discussed on page 3 of this newsletter, in 2015 the Government introduced more flexible options for taking Defined Contribution ('DC') pension savings. DC members currently have the option of receiving an income in the following ways:

- Buy an annuity. This option was previously available but new types of annuity are being developed. You can usually take up to 25% of your savings as a tax-free cash sum and buy an annuity with the remainder.
- Take all DC benefits as a single cash sum. The first 25% would usually be tax-free and the remainder taxed at your marginal tax rate for the year.
- Take a series of cash sums. The first 25% of each would usually be tax-free and the rest taxed at your marginal tax rate in each year.
- Use income drawdown, where you invest your pension savings and take an income of your choice as and when you want to. As with the options above, you can usually take up to 25% of your total savings as a tax-free cash sum.

## Defined Contribution (DC)

*This is where you and/or your employer pay into a pension fund and the eventual benefits you receive depend on, for example, what investment returns your savings receive prior to retirement.*

*If you made Additional Voluntary Contributions (AVCs) whilst an active member of the Plan, then these are on a DC basis.*

*You may also be a member of Goodyear Dunlop's DC Scheme.*

## Pension fraud: do you know the signs?

Pension scams continue to be a serious cause for concern. Research by Citizens Advice suggests over 10 million individuals may have received unsolicited contact about their pension since the DC pension freedoms were introduced in April 2015.

This research also found that over 80% of the people surveyed failed to recognise signs of a possible scam, such as:

- offers to access your pension before age 55 (the minimum age for taking retirement benefits),
- promises of unrealistically high investment returns (10% or more) if you transfer your benefits out, and
- paperwork delivered to your door by courier.

The Pensions Regulator has released an updated guide, 'Scammed out of his retirement. Don't be next.' which you can download from their website: [www.pensionsregulator.gov.uk](http://www.pensionsregulator.gov.uk).

If you are tempted by any pension offer, especially if it is unsolicited, we would urge you to research it thoroughly and preferably discuss it with a reputable independent financial adviser before making any decisions.

If you have already accepted an offer or wish to report a potential scam please contact

**Action Fraud on  
0300 123 2040**



## Transferring out

If you want to access the flexible retirement options for your main DB benefits, you will need to transfer out of the Plan and into a suitable DC arrangement. We strongly recommend that you take independent financial advice before proceeding with a transfer out and if the value of your Plan benefits is £30,000 or more, you are legally required to take independent financial advice before transferring out. (See 'Taking advice' on page 9.) As part of the Enhanced Transfer Value exercise we will carry out in the coming months, the Trustee will offer the majority of the non-pensioner members the opportunity to receive paid-for financial advice.

## In the news

### Budget summary

The March 2017 Budget did not feature any significant change for pensions, and neither did the Autumn budget (November 2017).

However, there were a few noteworthy announcements.

### Transfers to Qualifying Recognised Overseas Pension Schemes (QROPS)

Transfers to QROPS requested on or after 9 March 2017 will be taxed at 25% unless, at the point of transfer:

- the individual and the pension savings are in the same country; or
- both are within the European Economic Area; or
- the QROPS is provided by the individual's employer.

### Lifetime ISA

This was mentioned in the Budget, but was introduced as a new savings vehicle for the under 40s from April 2017. Young savers can save up to £4,000 a year up to the age of 50 in a Lifetime ISA. The Government will top this up with 25% of the amount saved each year. The money can be used to buy a home or for retirement. Time will tell how the Lifetime ISA affects wider pension saving.

Provisions related to pensions were limited in the Autumn budget, but the 2018/19 lifetime allowance is confirmed at £1.03M



# More information

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

**[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)**

The Pensions Advisory Service provides independent guidance on all types of pensions.

**[www.moneyadviceservice.org.uk](http://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](http://www.gov.uk)**

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

**[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)**

The Government's guidance website explains the flexible DC retirement options.

## Are your records up to date?

Please remember to let us know if there is a change to your contact details as it is important we are able to get in touch with you about your pension savings.

Similarly, if there is a change in your personal circumstances, for example if you marry, divorce or become a parent, consider updating your Expression of Wishes form. We use this form to help us decide who should receive any benefits that are payable if you die before you retire.

## 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 Administration team.

**Email:** [GoodyearDunlop.pensions@aonhewitt.com](mailto:GoodyearDunlop.pensions@aonhewitt.com)

**Phone:** 0330 123 9083 (lines are open Monday to Friday, 9am to 5pm)

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

## Behind the scenes

As Trustees, 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 how the Plan is progressing.

The Board is made up of Company-appointed Trustees and member-nominated Trustees.

### Trustee Directors

G Price	P Harper
R Whitehurst (resigned 7 September 2016)	J Maybury (resigned 7 September 2016)
I Charles	P Pearce
T Cox	D Roper
M Wynn	S Anyan (Capital Cranfield Pension Trustee Limited)

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

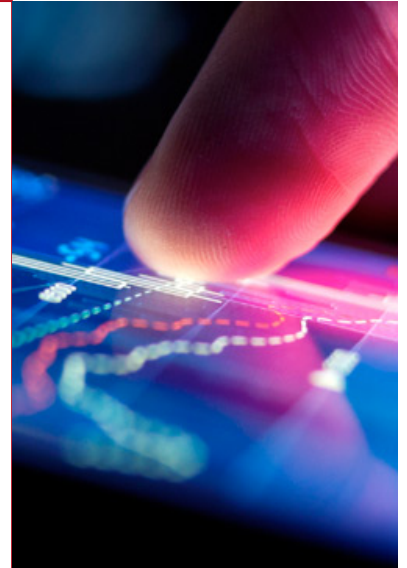
Administrator	Aon Hewitt Limited (appointed with effect from 1 September 2016)
Scheme Actuary	Paul Crocker, Aon Hewitt Limited (appointed 23 March 2017)
	Andrew McKinnon, Aon Hewitt Limited (resigned 22 March 2017)
Auditor	Edwards Chartered Accountants
Investment Adviser	Aon Hewitt Limited
Legal Adviser	Eversheds LLP



## Personal data

The following three pages (entitled "Personal information and what we do with it") sets out how the Trustee uses your data, including:

- What personal data we have
- Where we get personal information from
- Our legal basis for using your personal information including how we share it
- How to contact the other people we give your personal information to
- How long we keep your personal information for
- Your rights in relation to your personal information
- Keeping your information safe



## GOODYEAR DUNLOP TYRES UK LIMITED PENSION PLAN

### Personal information and what we do with it

As the Trustee of the Plan, we need personal information about you to run the Plan and pay benefits. In legal terms, as we are a 'data controller' of this information. Eversheds Sutherland, our legal advisors, are also data controllers in respect of the Plan (therein joint controllers). The purposes of this document is to tell you some things about the personal information we have about you and what your rights are in relation to it.

#### What personal information we have

We hold different types of personal information about you, and examples of the sort of data we hold are shown in the list below. (Please note, this summarises most of the data that we hold about you, but it may not be an exhaustive list):

- Your name, date of birth, national insurance number and bank account information (bank account information will only be held for those members in receipt of a pension);
- Contact details (including your address, phone number and email address);
- Your employer when you were building up benefits in the Plan, how long you worked for them and your salary from time to time;
- If your benefits from the Plan form part of a divorce settlement, details of that settlement;
- Personal details of any relatives or individuals you may have named as potential beneficiaries in the event of your death;
- Details of any contributions paid by you or on your behalf to the Plan, including Additional Voluntary Contributions;
- Details of any benefits earned in a previous pension arrangement, if you have transferred these into the Plan;
- Correspondence received about you from HMRC, relating to periods of service when you may have been contracted out of the upper tier of the State Scheme;
- Correspondence that we may have received about you from your appointed independent financial adviser.

We may sometimes collect sensitive information from you. Examples of this is information about your health where it is relevant to, for example, early payment of benefits from the Plan or details about personal relationships, such as your marital status and whether you are in a civil partnership to determine who should receive benefits on your death. We might also, very rarely, have information about criminal convictions where it is relevant to your entitlements under the Plan. Where we collect sensitive personal information, we shall only process this type of information where permitted by law.

#### Where we get personal information from

Some of the information we have comes directly from you. We may also get information (such as your salary and length of service) directly from your (former) employer. In addition, Aon Hewitt, who administers the Plan on our behalf, may have obtained information from you and passed it to us.

Sometimes we get information from other sources, for example, another scheme if you have transferred benefits from them, government departments such as HMRC and DWP and publicly accessible sources (eg the electoral roll) if we have lost touch with you and we are trying to find you.

If we ask you for other information in the future (for example, about your health), we will explain whether you have a choice about providing it and the consequences for you if you do not do so.

#### Our legal basis for using your personal information including how we share it

The Trustee must by law provide benefits in accordance with the Plan's governing documentation and must also meet other legal requirements in relation to running the Plan.

We will use your personal information to comply with these legal obligations, to establish and defend our legal rights and to prevent and detect crimes such as fraud. We may need to share your personal information with other people for this reason, such as courts and law enforcement agencies.

We also have a legitimate interest in properly administering the Plan. This includes paying benefits as they fall due, purchasing insurance contracts, communicating with you and ensuring that correct levels of contributions are paid, benefits correctly calculated and the expected standards of Plan governance are met (including to follow Pensions Regulator guidance). We may also contact you from time to time to offer you new options in relation to your pension.

In order to achieve this, we may share your personal information with various people, including any new trustees; employers; the Plan administrator; the Scheme actuary; our appointed advisory firm LEBC (the retirement advisor); other professional advisers; auditors; insurers; independent financial advisors; HMRC; the Pensions Ombudsman; and IT and data storage providers and other service providers. If your benefits are transferred to another scheme, we will also need to provide the administrators of that scheme with information about you.

When we need to use information about your health (or other very personal information), we may ask for your consent. However, sometimes there may be reasons of public interest or law which enable us to use this information without consent and we will do so where that is necessary for us to run the Plan in a sensible way. You can withdraw your consent at any time by using our contact details (below). This may affect what we can do for you unless we have another lawful reason for using your information.

Where we process sensitive personal information, we shall ensure that appropriate safeguards are in place to protect that information.

We may share your personal information with someone else, but only where you have given your prior consent – for example, where you transfer your benefits out of the Plan.

Sometimes, your information may be used for statistical research but only in a form that no longer identifies you.

### **How to contact the other people we give your personal information to**

Some of the people we mention above just use your personal information in the way we tell them. However, others may make their own decisions about the way they use this information to perform their services or functions, or to comply with regulatory responsibilities as controllers in their own right. In this case, they are subject to the same legal obligations as us in relation to this information and the rights you have in relation to your information apply to them too.

If you want any more information from the Administrator or to exercise any rights in relation to the information they hold, please contact us and we will put you in touch with them.

### **How long we keep your personal information for**

We need to keep some of your personal information long enough to make sure that we can satisfy our legal obligations in relation to the Plan and pay any benefits due to or in respect of you.

We keep your information for long enough to ensure that, if a query arises in the future about your benefits, we have enough information to deal with it where we have a legal obligation to do so. To meet this aim, the majority of the personal information that we hold will be kept for a period of 15 years from the end of the Plan year in which the last payment from the Plan is made to or in respect of you.

However, some information may be kept for a longer or shorter period depending on how long we sensibly think we need it to deal with queries (from you or your beneficiaries/other persons who might ask us if they are entitled to payments), complaints (from you or them), and our legal obligations (mentioned above).

### **Your rights in relation to your personal information**

You have rights in relation to the personal information we have about you. You have the right to:

- make a request to have your personal information corrected if it is inaccurate, and completed if it is incomplete;
- restrict the processing of your information;
- in particular circumstances, ask to have your information erased;
- request access to your information and to obtain information about how we process it;
- in particular circumstances, move, copy or transfer your information;
- in particular circumstances, object to us processing your information;
- not be subject to automated decision-making including profiling where it produces legal or other significant effects on you.

You can exercise all of these rights free of charge except in some very limited circumstances and we will explain these to you where they are relevant.

### **Keeping your information safe**

We take the protection of your personal information seriously and we have implemented technical, physical and organisational measures to ensure that personal information is kept accurate, up to date and protected against unauthorised or accidental destruction, alteration or disclosure, accidental loss, unauthorised access, misuse, unlawful processing and/or damage.

When we pass your information to a third party, we seek to ensure that they have appropriate security measures in place to keep your information safe and to comply with general principles in relation to data protection.

Some of the people we share your information with may process it overseas. This means that your personal information may on occasion be transferred outside the UK and the European Economic Area. Some countries already provide adequate legal protection for your personal information but in other countries, additional steps will need to be taken to protect it.

You can contact us for more information about the safeguards we use to ensure that your personal information is adequately protected in these circumstances (including how to obtain copies of this information).

### **Queries and further information**

If you want more information about what we do with your information and what your rights are, the Trustee can be contacted at:

Email: [GoodyearDunlop.pensions@aonhewitt.com](mailto:GoodyearDunlop.pensions@aonhewitt.com)

Phone: 0330 123 9083 (lines are open Monday to Friday, 9am to 5pm)

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

If you have concerns about the way we handle your personal data, you can contact the Information Commissioner's Office or raise a complaint at [www.ico.org.uk/concerns](http://www.ico.org.uk/concerns) or call its helpline on 0303 123 1113.