

Visit our new and improved website (more detail on page 4):

<https://pensioninformation.aon.com/goodyear dunlop>

## 2023 Newsletter

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

January 2023

Geo-political tension continues to impact the global economy, increasing volatility in investment markets pushing inflation higher than it has been for decades and putting pressure on many peoples' finances. As we did throughout the COVID pandemic, we are monitoring how these external pressures impact the Plan and are pleased that our investment strategy has allowed us to retain a stable funding position. More detail on the Plan's investment strategy is provided on page 3. We will continue to monitor the volatile financial markets and will make any changes we feel are necessary to protect the Plan and the best interests of you, our members.

Inside you can read how the Plan's financial position is developing in our latest summary funding statement on page 8. We report on the funding position as at 5 April 2022 as required by legislation. The headline is that our funding position was still showing a surplus at 5 April 2022 and has continued to keep this strong funding position to date.

We also include the usual summary of the year's accounts and membership figures on page 2 as well as further detail on your retirement options and other helpful matters on pages 10 and 11.

In wider pensions news, we provide an update on Pensions Dashboards, which aims to provide everyone with online access to all their UK pensions in one place. We also highlight developments on climate change regulations.

Finally, we want to make you aware of a communication that will be shared with some of you in 2023 in relation to GMP equalisation. To support this project, as well as member engagement generally, we are currently developing the Plan website with the aim of providing our members with timely access to information and updates. Further detail is on page 4.

As always, please do get in contact if you have a query about the Plan or your benefits, or if there is a topic you would like us to feature in our next issue. The contact details are on page 7.

**Michael McNulty**  
Chair of the Trustee

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# Plan update

## The membership

At 5 April 2022 there were 8,823 members in the Plan compared with 9,027 members at 5 April 2021.

2,743

**Deferred members** - no longer building up benefits but have benefits in the Plan for when they retire.

6,080

**Pensioner members** - receiving benefits from the Plan (including the dependants of members who have passed away).

## The accounts

Here we show headline figures from the Plan's Annual Report and Accounts. Over the year to 31 March 2022 the assets have outperformed the benchmark by 0.1%. The majority of the reduction in the assets over the year relates to the payment of benefits to members over the year. More detail on the movement of the value of the assets and liabilities can be found in the Summary Funding Statement on page 8.

If you would like more detail, please request a copy of the full report using the contact details on page 7.

The value of the assets supporting the Plan at 5 April 2022

£1,262.1m

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

£59.3m

The total value of benefits paid to members during the year

£50.3m

# Investment update

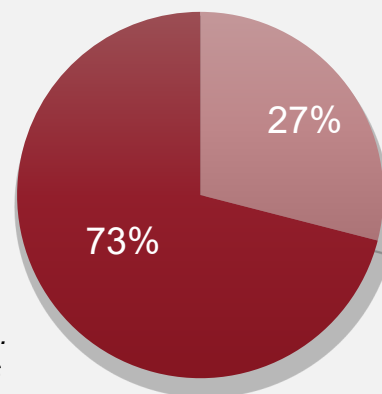
As Trustee, it is our responsibility to decide on the overall investment strategy, and to make changes as and when appropriate. We work closely with our investment advisers and we keep a close eye on how the funds are performing.

## Asset allocation

At 5 April 2022, the Plan held assets of £1,262.1m compared with £1,321.4m at 5 April 2021 (not including AVCs\*).

The chart adjacent shows how the Plan's investments were allocated at 5 April 2022, across asset types.

- Return-seeking bonds 27%
- Liability Driven Investment (LDI) 73%



*\*AVCs are Additional Voluntary Contributions which allowed members to increase their benefits in the Plan by paying in more individual contributions. AVCs have not been included in the above chart since the AVCs are assets of the individual members rather than the collective assets of the Plan*

## Performance

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

	Over the year to 31 March 2022		Over three years to 31 March 2022 (% per year)	
	Performance	Benchmark	Performance	Benchmark
Plan investments	0.2%	0.1%	2.4%	1.6%

Over the year and three-year period to 31 March 2022, the Plan outperformed the benchmark (as highlighted in green) which is a positive result.

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

## Investment strategy

When setting the investment strategy, the Trustee needs to strike the right balance between (a) the expected investment return on Plan assets and (b) the level of uncertainty around those expected investment returns. To achieve the right balance between (a) and (b), the Trustee invests in some of the more complex types of assets available that balance growth in value of the long-term whilst mitigating risk.

This investment strategy has allowed the Plan to cope with the extreme volatility seen in the financial markets over recent months, which you have likely read about in the news. By investing in the complex asset types as noted above, we have largely protected the Plan's assets from risks relating to inflation and interest rates, and as such the Plan's funding position has remained stable. Similarly the structure of the Plan's investments allows for cash to be accessed at short notice if required, allowing the Plan to react to extreme market volatility efficiently. This means member's pensions remain protected and will continue to be paid without issue.

The Trustee, alongside its investment adviser, will continue to monitor the Plan's investment strategy and the performance of respective funds to maintain this stable position.

# GMP equalisation

## Coming later in the year

In the Summer we will be writing to most pensioner members individually about a pension review exercise known as 'GMP equalisation'. This exercise is not unique to our Plan and the majority of UK pension schemes are also considering how this impacts them. Ahead of the Plan's exercise, we wanted to provide you with a brief summary, so you know what to expect.

As Trustee, we are legally required to address an historical inequality in the Plan. In practice, this means adjusting pensions to make up for unequal Guaranteed Minimum Pension (GMP – see definition to the right).

**The key point is that you don't need to worry – there won't be any reduction to anyone's Plan pension as a result of this GMP equalisation exercise. Some members may get a small increase to their pension but other members will not see any change.**

This complex exercise is a legal requirement following a High Court ruling a few years ago, which affects members of pension schemes across the UK. As part of this work, we intend to propose simplifying member's pensions, but we need to consult with members about this first.

### **If you are a pensioner or dependant member**

We expect to write to impacted members in the Summer with further details. At the same time, we will also explain a one-off pension option we'd like to make available to you – for a higher initial pension in exchange for lower (or no) future annual pension increases.

If you decide to explore this option, we'll provide you with impartial financial advice to help you make an informed decision, at no cost to you.

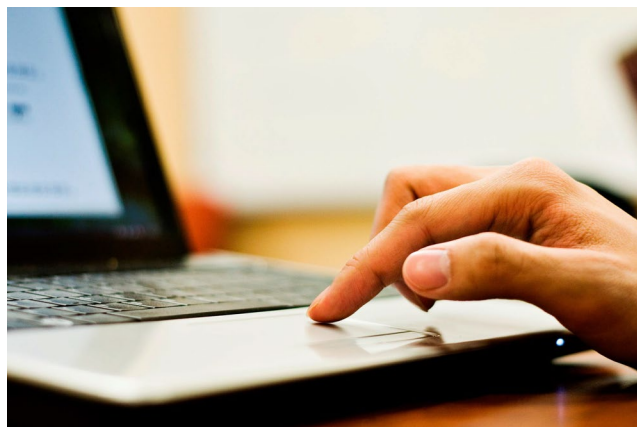
### **If you are a deferred member**

We expect to write to any impacted members at a later date with further details.

## What is GMP?

At one time the Plan was 'contracted out' of part of the Additional State Pension.

Broadly speaking, this means the Plan promised you a pension that is at least equal to the Additional State Pension you would have built up had the schemes not been contracted out. Between 1978 and 1997, this part of pension is known as GMP.



## New Plan website

To support the above project as well as to improve member engagement generally, we have now launched a new Plan website. This can be found using the same link which previously housed the Plan's Statement of Investment Principles and Engagement Policy Implementation Statement:

<https://pensioninformation.aon.com/goodyear dunlop>

The website includes key Plan documents, such as this newsletter and previous years, as well as the Investment documents noted above. It also includes a helpful set of Frequently Asked Questions (FAQs) to support you.

Over the course of 2023, the website will be updated to provide helpful information to support the above project, including an educational video, further FAQs and other supporting material.

The Trustee would encourage you to regularly visit the website as this will be continually developed.

## Pensions Dashboards: update

The aim of Pensions Dashboards is for everyone to have quick and easy online access to information on all their UK pension savings in one place.

Recent developments include completion of the digital build phase and the first volunteer providers preparing to connect to the system to begin testing using data.

The release to the onboarding phase is on track, beginning with the very largest schemes first, from spring/summer 2023, to achieve broad coverage.

To prepare for the release of Pensions Dashboards, between now and the staging date for the Plan (July 2024), we'll be working with our advisers and administrators to make sure that we have the right processes in place.

To find out more, go to [www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk).

## Climate change

Recent years have seen an increasing focus on climate change and its associated risks for pension schemes. Indeed, since 2019, trustees of pension schemes have been required to consider long-term environmental risks and opportunities.

As Trustee of the Plan, we regularly meet with our investment advisers and publish updates in our Statement of Investment Principles (available here <https://pensioninformation.aon.com/goodyear dunlop>)

Elsewhere, the Pensions Regulator has published best practice investment guidance for trustees, while its climate change strategy sets out how it can help trustees to meet the environmental challenges. We as Trustee are continuing to consider any guidance and how we can best act responsibly in the way we invest in assets.

Further, the Task Force on Climate-Related Financial Disclosures (TCFD) was established to develop best practice guidance for climate reporting. Regulations requiring schemes to report in line with the TCFD's recommendations came into effect for the UK's largest pension schemes from October 2021 and for the next largest group of schemes from October 2022.

The collective aim is that these guidelines and requirements will empower the markets to channel responsible and sustainable investment opportunities.



## Pension Scheme Act 2021: new trustee powers

In the ongoing battle against pension fraud and following the provisions of the Pension Scheme Act 2021, we now have the power to put a transfer request on hold or block a transfer if certain 'flags' suggest fraudulent activity.

If you are thinking about transferring your benefits out of the Plan, there will be more information about pension fraud and financial advice in your transfer pack. We have also added some helpful information on the guide on page 11.

To find out more, go to [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk) and choose Document library > Scheme management detailed guidance > Administration > Dealing with transfer requests. These regulations are due to be reviewed in 2023 and we will provide an update as and when appropriate as to what these mean for members.

You can read more about the Pension Scheme Act 2021 online at:

[www.thepensionsregulator.gov.uk/en/pension-schemes-act-2021](http://www.thepensionsregulator.gov.uk/en/pension-schemes-act-2021).





## Minimum retirement age increase

Your pension benefits – from the Plan, from the State and from any other pension savings you have – will probably start at different ages. You therefore need to have an idea of when you plan to retire so you can assess what you could receive – and when.

The earliest age most individuals can start receiving their pension benefits will go up from age 55 currently to 57 in 2028. The aim of this change is to keep the minimum retirement age at around 10 years below the State Pension age, which is gradually increasing and will reach 67 by 2028.

Please contact the Administrator if you need any information about receiving your pension (see contact details on page 7).

## High Court rejects RPI reform appeal

The trustees of schemes of three of the UK's largest employers recently lost in their challenge against the Government and UK Statistics Authority's plans to align the Retail Prices Index (RPI) with the Consumer Prices Index including owner occupiers' housing costs (CPIH) from 2030.

The CPIH measure of inflation is different to the RPI in the way it's calculated.

The trustees of the BT, Ford and Marks and Spencer pension schemes argued that the change would result in lower pension payments over time and lower transfer values. They also claimed that it would reduce the value of pension schemes' assets that are linked to the RPI, potentially increasing the financial pressure on sponsoring employers.

The decision means that, from 2030, RPI-based pension increases will be aligned to the CPIH, which could result in a lower level of increase compared to that previously expected.

There are some benefits within the Plan that receive RPI-based increases when in payment, as such these benefits will be aligned to CPIH from 2030.



# More information

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

There are lots of useful websites that can help you understand your options and support you with your retirement planning.

**Get to know your pension at [www.yourpension.gov.uk](http://www.yourpension.gov.uk).**

The site has a tool that can quickly generate a retirement checklist to help you assess where you are with your planning. It also has useful links to a pension calculator, a State Pension calculator and more.

**Picture your future at**

<http://www.retirementlivingstandards.org.uk> The retirement living standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

**MoneyHelper** is a free, impartial guidance service, backed by the Government. It brings together the support that was previously available through the Money Advice Service, the Pensions Advisory Service and Pension Wise.

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

## Contact point

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

Email: [goodyear dunlop.pensions@aon.com](mailto:goodyear dunlop.pensions@aon.com)

Phone: 0330 123 9083

(lines are open Monday to Friday, 9am to 5pm)

Write to:

Goodyear Dunlop Tyres 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 how the Plan is progressing.

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

Company-appointed	Member-nominated
Michael McNulty	Dave Roper
Gary Price	Terry Cox
John Borgogno	
Malcolm Goodall	

## 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 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. You can find an adviser in your area by searching MoneyHelper's online directory.

Go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) and choose Pensions and retirement > Taking your pension > Find a retirement adviser.

**Remember:** if you would like more information about the Plan, you can request a copy of the Trustee's Annual Report & Accounts. Contact the administration team using the details to the left.

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

<b>Administrator</b>	Aon
<b>Scheme Actuary</b>	David Eteen, FIA, Aon
<b>Auditor</b>	Edwards Chartered Accountants
<b>Investment Adviser</b>	Aon
<b>Legal Adviser</b>	Eversheds Sutherland
<b>Plan Secretary</b>	Aon

# Summary Funding Statement

This section summarises the results of the funding update at 5 April 2022. It also sets out the previous results for comparison. 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 actuarial valuation that was carried out as at 5 April 2020 and provides the latest update as at 5 April 2022.

	Update	Update	Valuation
Date	5 April 2022	5 April 2021	5 April 2020
The funding level	110%	108%	107%
The funding target	£1,147.6 million	£1,225.6 million	£1,299.2 million
The value of the Plan's assets	£1,262.1 million	£1,321.4 million	£1,390.5 million
The overall position	Surplus of £114.5 million	Surplus of £95.8 million	Surplus of £91.3 million

The latest update shows that the funding level has improved since the actuarial valuation at 5 April 2020 and the update at 5 April 2021.

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

## Reasons for the change

Since the last update as at 5 April 2021, the funding target has reduced due to benefits being paid out to members and increases in gilt yields although this has been offset to some extent by the increase in inflation expectations.

Over the same period the assets have also reduced as a result of benefits being paid out to members and the absolute asset return being slightly lower than the expected increase in the liabilities over the year.

Overall, the reduction in the liabilities as a result of increases in gilt yields was more than the reduction in the assets. As a result, the surplus has increased and the funding level has improved from 108% to 110%.



# Summary Funding Statement

## Financial support

As the Plan is in surplus, the Company is not required to pay any deficit contributions, however the Company continues to provide financial support by paying most of the administration and running expenses of the Plan which during the Plan year ending 5 April 2022 amounted to approximately £1.35 million.

The next formal actuarial valuation will look at the Plan's position at 5 April 2023.

## The Pensions Regulator

The Pensions Regulator is the UK watchdog of workplace pension schemes. It has the authority to change the way occupational pension schemes are run though it has not needed to use its powers in this way for our Plan. You can find out more about the Regulator online at

[www.thepensionsregulator.gov.uk](http://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 (as shown on previous page), 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 valuation. 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 is generally lower than the ongoing position, even for fully funded pension schemes.

At 5 April 2020, the Plan's full solvency funding level was 97% with a shortfall of £42.6 million. This will be remeasured as at 5 April 2023.

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.



# Retirement Options

## What are your options at retirement?

When you retire there are a number of options available to you apart from the standard option of taking a pension for life. We will be in touch close to your retirement date but it's never too early to start thinking about your options. The decisions you make at retirement affect the amount of income you receive for the rest of your life and so you may want to discuss with your loved ones and consider getting advice.

### Swapping some of your pension for tax free cash at retirement

The Plan allows you to swap some of your pension for a tax-free cash lump sum at retirement. You can swap up to one quarter of the value of your pension for a tax-free cash lump sum at retirement. The larger the tax-free cash lump sum you take, the smaller your annual residual pension income will be. You can choose to take no cash at all, meaning that you'll get the maximum monthly pension from the Plan.

### Transferring your benefit to another pension scheme

Before we start paying your pension you have the option of transferring the full value of your pension benefit to another pension provider. You might decide that the options available to you in the Plan don't suit your needs and transferring may give you more flexibility.

Following changes to pensions legislation in 2015, if you are retiring from a defined contribution scheme then you have access to flexibilities over how to take your pension at retirement. This may involve purchasing an annuity or you could take smaller cash lump sums throughout your lifetime. Transferring out of the Plan into an eligible defined contribution arrangement will give you access to these flexibilities.

We are able to provide you with a Cash Equivalent Transfer Value quote which is what your pension would be worth if you were to transfer your pension to another arrangement. It is important that you consider all options available to you before proceeding with a transfer.

Please note that transferring your benefits out of the Plan is a big decision and you should seek independent financial advice before taking up this option. If your Cash Equivalent Transfer Value is greater than £30,000 you have to take independent financial advice.

## Taking all your pension as a lump sum

If you only have a small amount of service in the Plan then you may be entitled to receive your entire pension as a cash lump sum. The value of your pension must be less than £30,000 in order for you to qualify. We will highlight this to you if you are eligible when you are approaching retirement.

## Tax on your pension

Please be aware of any tax issues which may affect your pension at retirement. Just like normal income, you may have to pay tax on any pension income.

## Early / Late retirement

You may also have the option to take early or late retirement. If you would like to explore this option, please contact the administration team.

## Advice

**This is an important decision and you should seek independent financial advice to discuss which option is appropriate for you, based on your personal circumstances.**

Decisions at retirement can be complex. Page 7 includes information on how to find a suitable adviser. You will have to pay for this advice.

### Defined Contribution (DC)

*This is where you and/or your employer pay into a pension fund and the eventual benefits you will receive depends 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, these are on a DC basis.*

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

## Pension Scams

### I've heard a lot in the press about pension scams. How can I tell if someone is trying to scam me?

Pension scams are around now more than ever, with scammers posing as genuine firms tempting individuals with cash in return for moving their pensions.

Please be wary of any cold calls or mailings which may appear legitimate asking you to move your pension. Also watch out for people at your door offering free pension reviews. Once you move your pension it will be too late so please check all details carefully.

We advise that you use an independent financial adviser if you want to move your pension. Any cold calls, mailings or messages you receive may appear legitimate but please be wary of someone who approaches you with an offer that sounds too good to be true.

### What support is available on scams?

The Pensions Regulator recently launched a campaign calling on the industry to pledge to combat pension fraud. The pledge involves several commitments including:

- regularly warning members about pension scams, and
- taking appropriate due diligence measures when members request a transfer out.

You can read more about the pledge at

[www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams)

As Trustee, we are committed to giving you the information you need to be aware of the warning signs. We also take every precaution and make all necessary checks before processing a request to transfer out.

This includes adhering to new regulations regarding suspicious transfers which the Pensions Regulator published late last year following the Pension Schemes Act 2021. The Plan administrator has updated their transfer processes accordingly and will notify the Trustee of any suspicious transfers under the new regulations. More information can be found at:

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2021-press-releases/new-regulations-empower-trustees-to-halt-suspicious-transfers>

For more information about pension scams:

- Go to [www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams) and download the pension scams booklet.
- Go to [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) for tips and online resources to help you protect yourself.

## Common questions

### Where can I find out information on my pension amount when I retire?

Please contact our Administration team using the details on page 7 to request a quotation. A few months before you retire, we will write to you to confirm your final pension amounts.

### Who will receive my pension benefits after I die?

You can nominate someone to receive your benefits after you die. Please contact our Administration team using the details on page 7 to request a blank Expression of Wishes form. If you are already receiving a pension and wish to change your death benefit nominee, please call our Administration team on 0330 123 9083.

### How do I inform you of a death?

Please call our Administration team as soon as you are able. We understand that these moments can be difficult but any payments we make after a member has died will need to be reclaimed by us.

### There's been a change in my personal circumstances. How do I let you know?

If any of your details, such as address or marital status, change then please contact our Administration team.

### What to expect before retirement

A few months before you retire, we will contact you with a final statement and information on your options.

Decisions you make at retirement are very important and you should seek independent financial advice.

### What to expect after retirement

We pay pensions on the 1<sup>st</sup> or 15<sup>th</sup> day of each month depending on which section of the Plan you are in. When this falls at a weekend or bank holiday we bring payments forward to the working day before.

Your pension may increase each year. Standard increases are applied in April or May each year and we will inform you of these increases.