

# Trustee's Report 1 January 2019 to 31 December 2019

Autumn 2020

In this issue

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

We include the usual headline figures from the Scheme's Annual Report & Accounts, and an update on how the investments have performed.

We are currently in discussion with the Company with regards the formal Actuarial Valuation as at 31 December 2019; these discussions will have been completed and the Valuation finalised by the time of the next update, the results of which will be included in next year's newsletter.

Away from the Scheme, we include a feature on the increasing threat of cybercrime and how you can help to protect yourself. We provide an update on the Brexit situation and we summarise the Pension Schemes Bill that was reintroduced to Parliament in January.

Meanwhile, the coronavirus pandemic continues to have a significant effect on the global economy. Please be assured that, as Trustee, we are monitoring the situation closely, holding regular calls with our investment adviser and together we are taking all possible steps to mitigate any impact on the Scheme. We will keep you updated.

Please do get in contact if you have a query about the Scheme or your benefits. The contact details are on page 6.

**Paul W Picknett**

Chair of the Trustee

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## **COVID-19 Update**

*A brief update on the impact COVID-19 has had on the Scheme's investments can be found on page 3 of this newsletter.*

*However, I am pleased to confirm that Aon's Pensions Administration business, payroll function, the day to day administration teams and the Call Centre are fully operational. If you have any queries, please refer to the contact details on page 6.*

# In numbers

## The membership

At 31 December 2019 there were 2,284 members in the Scheme compared with 2,309 members at the same date last year. This does not include members who are paid by an annuity.

1,405

**Deferred members** - individuals who have left the Scheme and are no longer paying contributions.

879

**Pensioner members** - individuals receiving benefits from the Scheme (including dependents of members who have died).

## The accounts

Here we show headline figures from the Scheme'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 6.

The value of the assets supporting the Scheme at 31 December 2019

£321.6 million



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

£20.4 million



The total value of Company contributions paid in to the Scheme during the year

£5.3 million



The total value of benefits paid to members during the year

£10.6 million



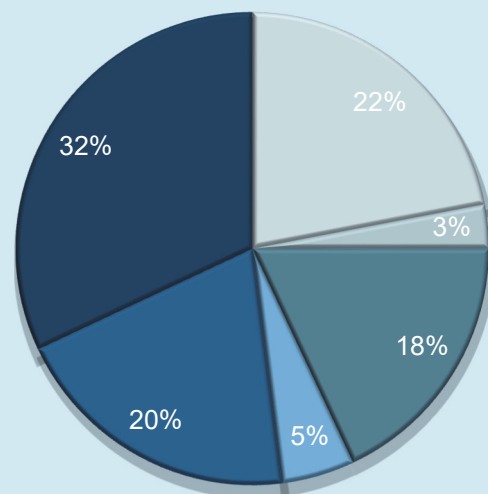
# Investment update

As Trustees, 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 31 December 2019, the Scheme held invested assets of £314.8 million compared with £309 million at the same date last year (not including insured policies and AVCs).

The chart below shows how the Scheme's investments were allocated at 31 December 2019, across asset types.



- Equities 22%
- Credit 3%
- Multi Strategy Funds 18%
- Macro Orientated 5%
- Cash 20%
- Liability Hedging 32%

## Performance

The table below shows how the Scheme'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.

	Over the year to date		Over three years (% per year)		Over five years (% per year)	
	Performance	Benchmark	Performance	Benchmark	Performance	Benchmark
Investment	-4.1%	1.6%	8.0%	8.2%	6.7%	11.1%

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

## COVID-19 – how has it impacted the portfolio?

COVID-19 has caused severe disruption to economic activity which has been reflected in fluctuations in global stock markets and, in turn, in the valuation of Scheme assets as the Scheme invests a proportion of its assets in share-based funds.

The Trustee together with their Fiduciary Manager; Cardano Risk Management Limited have designed and implemented the Scheme's investment strategy taking a long-term view and have built in resilience to withstand short term fluctuations.

We'd like to assure you that the Board and its advisors are closely monitoring the financial situation and reassure you that we expect no impact on the Scheme's ability to continue to pay benefits that are due.

The Trustees are extremely pleased to report that between 1 January to 30 September 2020, the Scheme's assets have appreciated by around 8.3% which is only modestly behind the percentage increase in the Scheme's liabilities, meaning that the funding ratio will be largely unchanged over this period.

The Trustee's Statement of Investment Principles (SIP) can now be viewed online at:  
<https://pensioninformation.aon.com/groupama/documents.aspx>

## Protect yourself from cybercrime

Hackers want access to your finances – bank accounts, retirement accounts, loans, etc. Bank accounts are the top target, but retirement accounts are becoming increasingly attractive to fraudsters. This is probably because they are not checked as often as everyday financial accounts, and because they can hold a lifetime of savings.

Financial advisers recommend checking your retirement accounts regularly and to report any unfamiliar transactions.

Individually, we all have a responsibility to protect our own data to reduce the risk of cybercrime. Here are some top tips to help you keep your online data secure.

1. **Use strong passwords.** Make them complex, change them regularly and don't use the same one on multiple sites. In 2019, the UK's National Cyber Security Centre found that '123456' was the most widely used password on breached accounts, followed by '123456789', 'qwerty', 'password', and '1111111'.
2. **Install security software.** There are lots of options when it comes to protecting your devices and software from viruses and other malware. This kind of software is often available at no cost.
3. **Keep your devices and software up to date.** Regular updates can be frustrating, but they are vital to patch any potential flaws cybercriminals look for.
4. **Back up your most important data.** Save your most important online data to an external hard drive or cloud-based storage system.
5. **Lock your devices.** Use the screen lock function on your smartphone and tablets.
6. **Manage your social media settings.** The more you share online the greater the risk, so keep your personal and private information secure on social media.
7. **Strengthen your security on Wi-Fi.** Use a strong password when using public Wi-Fi. It's also a good idea to use a virtual private network (VPN), which will encrypt everything that leaves your device until it gets to its destination.

To find out more about the threat of cybercrime and how you can stay safe, go to: [www.getsafeonline.org](http://www.getsafeonline.org) and [www.ncsc.gov.uk](http://www.ncsc.gov.uk).

If you are a victim of cybercrime, report it to Action Fraud, the UK's fraud and cybercrime reporting centre: [www.actionfraud.police.uk](http://www.actionfraud.police.uk).

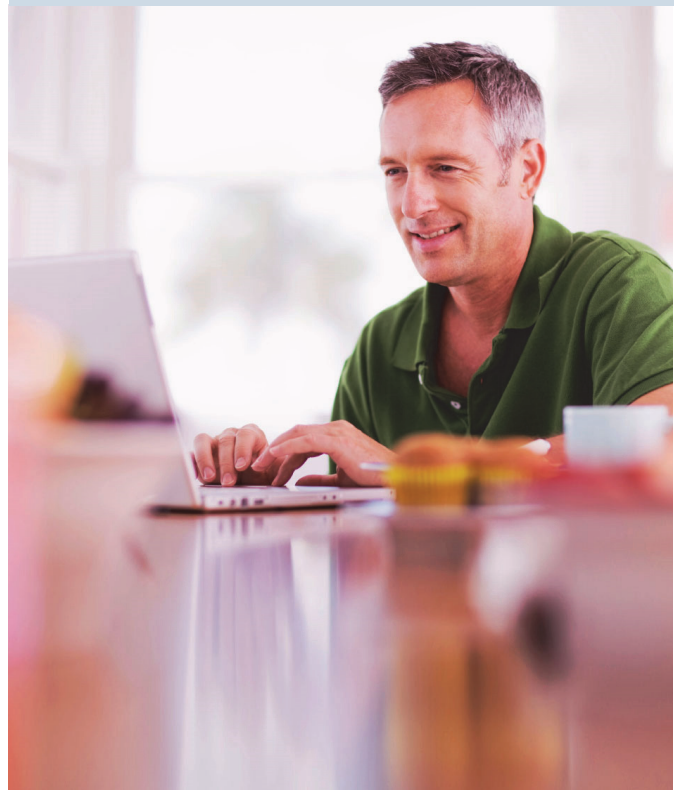
## Pension Schemes Bill reintroduced

In January, the Government reintroduced the Pension Schemes Bill to Parliament. (It had been held up due to December's General Election.)

The Bill includes:

- New powers and sanctions to enable the Pensions Regulator to take stronger action where pension schemes are not being run properly.
- Provisions to support online pension dashboards, so that individuals can access details of all their pension arrangements in one place.
- A requirement for trustees of DB plans to produce a statement on their long-term funding and investment strategy.
- Provisions allowing for restrictions on transfer payments, to help prevent pension scams.

The timescale for these measures to come into force has not yet been confirmed – we will keep you updated.



## Coronavirus and Brexit update

Brexit uncertainty dominated the financial landscape following the outcome of the EU referendum in 2016 – until the coronavirus pandemic.

Following the General Election in December 2019, the European Union (Withdrawal Agreement) Act received Royal Assent on 23 January 2020.

The UK left the EU on 31 January 2020, with transitional arrangements in place until 31 December 2020. This means that the immediate impact of Brexit is currently limited.

However, the coronavirus pandemic is having a significant impact on markets and the wider economy.

As Trustees of the Scheme, we continue to monitor both issues as they develop. We also have robust strategies in place to ensure the efficient day-to-day running of the Scheme and ensure that members are able to access the services they need.



## Changes to the tapered Annual Allowance

The Annual Allowance is the total amount of pension savings you can make each year without incurring a tax charge. For the 2020/21 tax year, it is £40,000.

A lower, tapered Annual Allowance was introduced from April 2016 for higher earners. Changes to it took effect from 6 April 2020.

The tapered Annual Allowance now applies for anyone with a 'threshold income' of more than

£200,000 (up from £110,000) and 'adjusted income' of more than £240,000 (up from £150,000).

The lowest tapered Annual Allowance has reduced from £10,000 to £4,000.

These changes mean that fewer higher earners will be impacted, but those that are may see a reduction to their tapered Annual Allowance.

**Threshold income:** broadly, your total taxable annual earnings excluding pension savings, less certain reliefs.

**Adjusted income:** broadly, your total taxable annual income plus the value of pension savings such as employer pension contributions

**Remember:** it is your responsibility to check how close you are to exceeding the Annual Allowance. If you are unsure of your position, please consider talking to an Independent Financial Adviser (see page 6).

# Introducing a new retirement modelling service

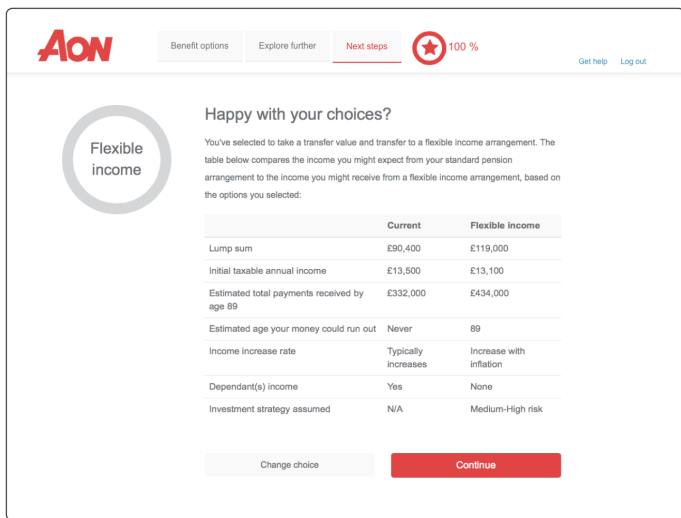
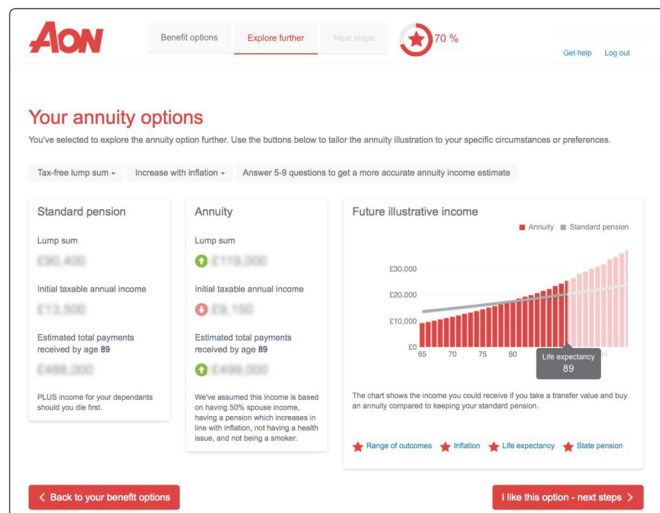
As Trustees, one of our responsibilities is to give you access to the tools you need to understand your retirement options, so you can make informed decisions about taking your Scheme benefits.

## Introducing the Aon Retirement Options Model (AROM)

### For deferred members from age 55 onwards

At the end of January 2021, we are launching a new online tool to help you understand and consider your options as you approach retirement. The range of options that are available to you include options that are outside the Scheme, as well as choices within the Scheme.

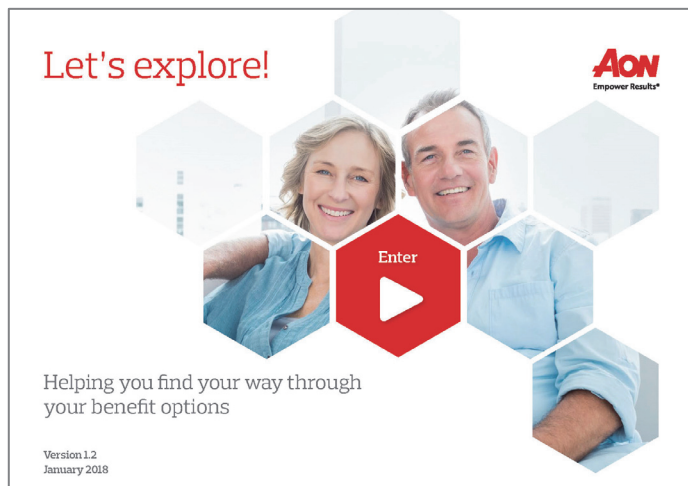
The model will be available to you when you request a retirement quotation or a transfer value quotation from age 55 onwards. Access is also provided when you are approaching their retirement age.



The tool explains your retirement options in plain language and shows the potential income you may receive from your benefits in the Scheme or if you were to transfer them outside of the Scheme. There is an online user guide to help you go through the steps, and there is a mini quiz for you to complete to check your understanding of the tool.

## How does it work?

If you are a deferred member and are provided access, AROM will be pre-loaded with the value of your Scheme benefits. You will find your username and password in the retirement pack issued to you. You will then be able to change your settings and preferences to 'model' your outcomes to compare your retirement options in money terms. The tool is easy to use and designed to signpost your next steps.



# More information

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

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

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

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.

[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.

## Early Resolution Service

If you have a concern about your benefits, contact the Pensions Ombudsman's Early Resolution Team:

Go to [www.pensions-ombudsman.org.uk/our-service/make-a-complaint](http://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](mailto:helpline@pensions-ombudsman.org.uk)

## Contact point

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

Email: [groupama@aonconsulting.co.uk](mailto:groupama@aonconsulting.co.uk)

Phone: 0330 123 2312  
(lines are open Monday to Friday, 9am to 5pm)

Write to: Aon, The Fountain Precinct, Balm Green, Sheffield, S1 2JA

## 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 Scheme 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 the left 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.moneyadvice.service.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**.

## Charles De Tinguy

It is with deep regret to inform you that Charles De Tinguy (Company-appointed Trustee) sadly passed away in March 2020. Charles will remain in our memories for his kindness, outstanding professional qualities and exceptional service to the Scheme.

**Remember:** if you would like more information about the Scheme, you can request a copy of the Trustee's Annual Report & Accounts. Contact the administration team (details above).

## Internal Disputes Resolution Procedure (IDRP)

The Trustee has recently updated the Scheme's IDRP and appointed Kathy Curran as Complaints Trustee. A copy of the updated IDRP is included with the member newsletter.



## 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 Scheme is progressing.

Company-appointed	Member-nominated
P.W. Picknett (Chair)	A. Young
K. Curran	J.J.P. Tarrant
D.L. Simpson	

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

Administrator	Aon Solutions UK Limited
Actuary	A.P Stephens, FIA Aon Solutions UK Limited
Auditor	Cocke, Vellacott & Hill
Investment Adviser	Cardano Risk Management Limited
Legal Adviser	ARC Pensions Law