



MOTOR INDUSTRY PENSION PLAN - "THE PLAN"

Newsletter 2018/2019

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

The Plan is a pension scheme for employees and former employees of a number of different employers in the retail motor industry.

Your benefits from the Plan are provided on a 'defined benefit' basis which means that you are entitled to a pension that is calculated by reference to your length of service and your salary whilst you were a member of the Plan. This is an important factor to bear in mind whilst reading this newsletter and when considering your retirement options.

Inside you can find the usual facts and figures which are taken from the Plan's latest audited accounts.

We also cover a selection of topical pension news items which you may find of interest, and on page 5, we include a useful article on financial advice, with tips on how to find an adviser and what questions to ask.

You may be aware that new laws came into force in 2018 which govern the use of personal data. We hold some of your personal data in order to administer the Plan and without this we cannot provide you and your dependants with the correct benefits at the right time. We are committed to complying with all relevant data protection laws. Our current privacy notice, which sets out how we do this is enclosed, along with a privacy notice from the Plan's administrators, Aon.

We hope you find this latest issue interesting. If there are topics you would like us to cover in a future issue, please get in touch. The contact details are on page 6.

Entrust Pension Limited

Trustee to the Motor Industry Pension Plan
March 2019

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In numbers





The membership

At 5 April 2018 there were 2,588 members in the Plan compared with 2,664 members at the same date last year.

14	Active members – working for the Employers and paying regular contributions to build up further benefits in the Plan.
1,816	Deferred members - no longer building up benefits but have benefits in the Plan for when they retire.
758	Pensioner members - receiving benefits from the Plan (and including the dependents of members who have died)

The accounts

Here we show headline figures from the Plan's Annual Report and Accounts. The equivalent value of the assets supporting the Plan at 5 April 2017 was £99.4 million. 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 Plan at 5 April 2018	£96.7million	
The net return on the Plan's investments over the reporting year	£2.0million	
The total value of Employer and member contributions paid in to the Plan during the year	£2.4million	
The total value of benefits paid to members* and expenses during the year	-£4.4million	
The total amount transferred to other pension schemes and to the Pension Protection Fund during the year	-£2.7million	

*Benefits paid to members include monthly pension payments, retirement lump sums and lump sum death benefits.

Investment update

As Trustee, it is our responsibility to decide on the overall investment, 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.

- The Trustee arranges for the Plan's assets to be invested and aims to achieve sufficient growth in the assets to try to help each section of the Plan have enough money to pay all the benefits that have been promised to its members. As more members near retirement, producing a stable funding position becomes increasingly important and, when a section enters wind up, this becomes the focus of the strategy.
- During the Plan year ending 5 April 2018 the Trustee delegated everyday investment decisions to LGIM, the fund manager. A Trustee's Statement of Investment Principles, is established for each section of the Plan following employer consultation.
- The investment strategy is managed by the Trustee with the help of its advisers. The mix of investments between asset classes varies for different sections of the Plan, reflecting the profile of the membership in the section, the funding level of the section and the strength of the employer's covenant. The covenant is the employer's legal obligation and financial ability to support their section of the Plan now and in the future.
- As required by law, the Trustee consults with an employer before making any changes to a section's strategic asset allocation.
- All LGIM funds achieved returns over the year that were broadly in line with their respective benchmarks.
- During the Plan year ending 5 April 2018 the Trustee required the manager to track certain market indices. The performance of the Plan's investments is regularly reviewed by the Trustee. Over the year the equity portfolio performance was positive for all markets. Gilt market returns were also positive due to a fall in interest rates at long durations as future growth expectations slowed.

Asset Allocation

As at 6 April 2018, the Plan held assets of £96.7m compared to £99.4m at the same date in the previous year.

The assets were invested in eight portfolios. Six of those portfolios were a mix of equities and bonds and were designed to meet the needs of the various 'Active' sections. In addition, there is a cash fund and a gilts fund (which is used for sections in wind up).

Performance

The table below shows how the Plan's various portfolios 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. Performance is shown gross of fees.

LGIM	Over the year to date (%)		Over three years (% per year)	
	Performance	Benchmark	Performance	Benchmark
(80% equities/20% bonds)	2.1	2.1	7.8	7.8
(70% equities/30% bonds)	2.1	2.0	7.8	7.7
(60% equities/40% bonds)	1.9	2.0	7.7	7.6
(50% equities/50% bonds)	1.9	1.9	7.5	7.5
(40% equities/60% bonds)	1.8	1.8	7.5	7.4
(30% equities/70% bonds)	1.7	1.7	7.3	7.3
(50% fixed gilts/50% Index-linked gilts)	1.5	1.5	7.0	7.0
(100% cash)	0.3	0.2	0.4	0.3

Overall Plan performance over the year was 1.8%, which was broadly in line with the benchmark.

The Trustee completed a detailed review of the Plan's investment strategy with the aim of reducing risk and increasing diversification. Further information in respect of the revised investment strategy will be provided in the next annual newsletter.

GMP equalisation in the High Court

You may have seen in the news that there has been a High Court ruling regarding the equalisation of Guaranteed Minimum Pensions ("GMPs"). Set out below is a brief summary of how this complex issue may affect you.

Does this ruling affect me?

The judgment only applies to benefits built up between 17 May 1990 and 6 April 1997. Only members or their dependents with pensions built up over this period will be affected. The ruling affects men and women, and both pensioners and members who have yet to draw their pension.

The Trustee is working with its advisers to understand how this ruling affects the Plan. This judgment is complex, dealing with almost 30 years of uncertainty and we want to get this right. There is also the possibility of an appeal, and the Government has said it intends to publish further guidance. The process is expected to take time.

Once we know more, we will contact all affected members with details. In the meantime, we are conscious that there has been lots of coverage in the national press, not all of it accurate.

How much money am I going to get?

Contrary to much of the press coverage, we expect many individuals to see little or no increase in the value of benefits. There are a few reasons for this:

- GMP often only makes up a small part of an individual's pension and so the amounts involved in addressing any inequality are likely to be small.
- Many members will receive no increase as they have not been disadvantaged by the way their benefits have been treated.
- Many members won't have benefits built up within the Plan between 17 May 1990 and 6 April 1997.

Will I need to pay any of my pension back?

No. You will not have to pay back any pension that you have already received following this ruling. Equalisation requires an improvement to the benefits of members who have been disadvantaged – not the other way around.

Why hasn't this already been dealt with?

The way that GMP works is set out in legislation and is very complicated. This is a national issue and the Plan is only one of many pension schemes to be affected. Over a number of years, the Government has made suggestions as to how the differences between males and females could be addressed, but it wasn't clear whether any action was required or whether the possible solutions would work from either a practical or legal perspective. This court case confirms action is required and gives some clarity on what pension schemes and trustees can do to put things right going forwards.

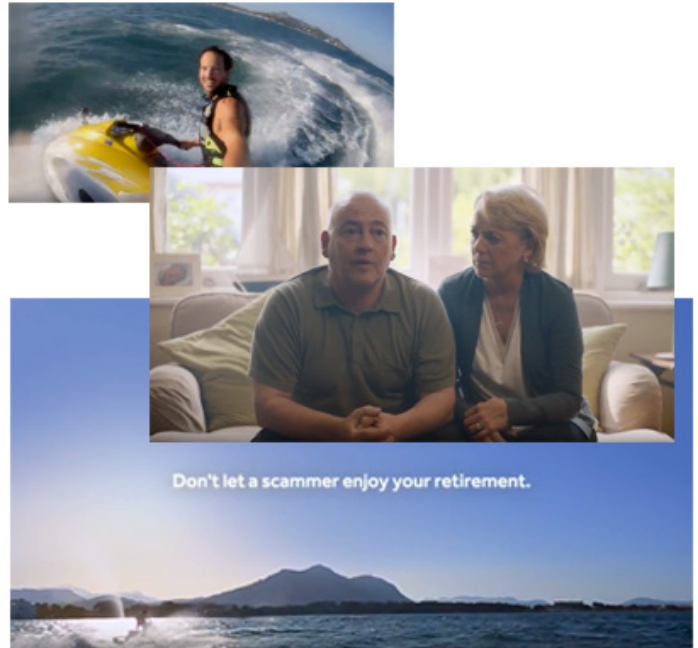
Do I need to do anything to claim my benefits?

Not now. We are working with our advisers to identify if and how you are affected. Once we know more, we will get back to you and other members of the Plan with more information. It is the Trustee's job to make sure you get the benefits you are entitled to and we are working to make sure that this happens.

Protect yourself from pension fraud

The Pensions Regulator has recently joined forces with the Financial Conduct Authority in producing a TV advert to renew the awareness campaign. If you haven't yet seen it, you can watch it online at

www.youtube.com/watch?v=NeFvYtCaykI.



The Government is also trying to help tackle the problem by banning cold calling in relation to pensions. Unsolicited calls about pensions became illegal in January 2019.

Remember: only in cases of serious ill health (or if you have a protected pension age) are you able to access your savings before age 55.

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.

For more information about pension scams and updated guidance on how you can keep your pension safe, visit the Pensions Regulator's website.

Go to www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams

For free impartial guidance, phone the Pensions Advisory Service on **0800 011 3797** or visit their website at www.pensionsadvisoryservice.org.uk.

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

www.actionfraud.police.uk/report_fraud

Please make use of these resources to help you keep your pension safe.

Financial advice

As a member of the Plan you have several choices as to how to take your benefits. One of these is to transfer your benefits to another pension scheme, which is known as a transfer value.

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 defined benefits is more than £30,000 you must take IFA advice from an appropriately qualified and Financial Conduct Authority (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.

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

- 2) Consider the level of 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).

You can find an adviser in your area by searching the Money Advice Service directory at:

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

21st century Trustees

The Pensions Regulator is carrying out a campaign to make clear what their expectations are on those responsible for managing a pension scheme effectively. It is designed to drive up governance standards by being clearer and more directive about the standards it expects of trustees and the action it will take if they do not meet these standards.

The trustee of the Plan is Entrust Pension Limited. Entrust is a professional pension trustee company which acts as trustee to a number of pension schemes. It has independently audited governance procedures which are continually reviewed to ensure that they comply with industry best practice.

The Pensions Ombudsman

If you have any concerns or complaints about your benefits in the Plan we would encourage you to contact us so that we can help to resolve them. Until recently, the Pensions Advisory Service (TPAS) offered a free and impartial guidance service to assist in this process.

Earlier in the year, TPAS transferred its role in the process to the Pensions Ombudsman. This means that in addition to dealing with formal disputes the Pensions Ombudsman can now provide initial guidance to try and resolve matters at an earlier stage, making the process more efficient for everyone concerned.

To find out more about the Pensions Ombudsman, go to

www.pensions-ombudsman.org.uk.

More information

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

www.pensionwise.gov.uk

The Government's guidance website explains the flexible Defined Contribution (DC) retirement options.

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

Contact point

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

Email: mippensions@aonhewitt.com

Phone: 0121 262 5093
(lines are open Monday to Friday, 9am to 5pm)

Write to: Motor Industry Pensions, c/o Aon Hewitt, Colmore Gate, 2 Colmore Row, Birmingham, B3 2QD

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 to request a blank form.

Behind the scenes

As Trustee, we maintain up-to-date knowledge of pensions, investments and finance. We are a professional trustee company, so our entire purpose is to manage occupational pension schemes. We have independently audited procedures for running pension schemes and ensure that all of our staff receive appropriate training on pension issues. We meet regularly throughout the year to discuss how the Plan is progressing.

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

Administrator	Aon Hewitt Limited
Actuary	D Grimley, Aon Hewitt Limited A Shah, Aon Hewitt Limited
Auditor	PricewaterhouseCoopers LLP
Investment Adviser	Aon Hewitt Limited
Legal Adviser	DWF LLP

Aon Hewitt Limited "QUICK READ" PRIVACY NOTICE

Aon Hewitt Limited (and, where appointed, the Scheme Actuary - together "Aon") has been appointed to provide pensions advisory and calculation services that relate to your membership of the pension scheme. In doing so Aon will use 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) in order to be able to provide these services. The purposes for which we use personal information will include management of the pension scheme and your membership within it, funding the pension scheme (i.e. helping to ensure that the funds within the pension scheme 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 pension scheme), scheme actuary duties (which include assessing individuals who are members of the pension scheme and assessing how the make-up of the membership may affect the amounts payable and when they become payable so as to manage the pension scheme appropriately), regulatory compliance, process and service improvement and benchmarking.

We may pass your personal information to third parties such as financial advisors and benefits providers, insurers, our affiliates and service providers 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 Aon's use of your personal information is set out in our full Privacy Notice. We recommend that you review this notice which is available online at <http://www.aon.com/unitedkingdom/products-and-services/human-capital-consulting/aon-hewitt-actuarial-services-privacy-statement.jsp>, or you can request a copy by contacting contact us, including reference to the scheme name, at: Data Protection Officer, Aon Hewitt Limited (Retirement and Investment UK), PO Box 730, Redhill, RH1 9FH



MOTOR INDUSTRY PENSION PLAN - "THE PLAN"

Privacy Notice

You may be aware that the General Data Protection Regulation now governs how we deal with your information. This Privacy Notice sets out (i) how we use your information, and (ii) the rights that you have in relation to that information.

Data Controllers

As Trustee, Entrust Pension Limited acts as Data Controller in relation to the personal data that we process under the Plan.

We are joint Data Controllers with Aon (who provide scheme administration and advisory services relating to your membership of the Plan) and with the individual actuaries employed by Aon who are appointed under pensions legislation.

How we use your information

We may use information about you and other members to administer and operate the Plan and for the purposes of carrying out the following activities:

- providing information to members on their individual pensions and benefits;
- providing information to members in relation to the Plan generally (for example, any legal changes or changes to the Plan's rules);
- calculating and paying out benefits to members of the Plan;
- calculating, assessing and managing the overall liability of the Plan;
- responding to queries raised by members; and
- carrying out administration tasks in respect of the Plan.

Our legal basis for using your information

In most cases we will process your information on the basis that it is necessary for the purposes of our legitimate interests in (i) administering the Plan correctly, and (ii) the effective running of the Plan.

We will also process your information where it is necessary to do so in order for us to comply with pensions legislation and/or other applicable laws.

We will only process sensitive personal information about you (eg. information on physical and/or mental health, racial or ethnic origin and sexual orientation) after you have provided your explicit consent.

Information we hold about you

To enable us to administer and operate the Plan it is necessary for us to hold and process personal information about the Plan's members. This may include the following information:

- Name
- Gender
- Date of birth
- Marital status
- Address
- Email address
- Telephone number
- National Insurance number
- Salary
- Employment history
- Information on physical and/or mental health, including medical information
- Information on the value of benefits under the Plan
- Details of any spouse or civil partner or former spouse or civil partner
- Other information as required to administer your benefits within the Plan

How long we will retain your information

The information about you will be retained by us for the duration of your membership of the Scheme or for any such longer period as is necessary to enable us to administer the scheme correctly and to respond to questions relating to your benefits under the Scheme.

Third parties with whom we share your information

We may need to share your information and information about other members with third parties who act on our behalf or provide services to us. Your information will be kept secure at all times and will only be shared with such third parties when necessary. Your information may be disclosed to the following third parties for the following purposes:

- Scheme actuaries, insurers, administrators, legal advisers and other third parties providing services in connection with the administration and management of the Plan.
- The principal employer to your section of the Plan and other companies in its group in connection with the administration and management of the Plan.
- The UK Government or other public authorities or regulatory authorities if we are obliged to do so by any applicable laws.
- Third parties with whom the principal employer to your section of the Plan is negotiating a commercial agreement or to trustees of other pension schemes and their advisers where a merger or reorganisation of pension schemes is being discussed.
- Other pension schemes in the event that you request a transfer of your pension.
- Your solicitors or independent financial advisers in the event that such parties provide a letter of authority from you confirming that they have been instructed to act on your behalf.
- Other third parties as required for the appropriate administration and management of the Plan.

Sources of information about you

We may collect information about you directly from you. In addition, we may also collect information about you from the principal employer to your section of the Plan, the scheme actuary, administrators, legal advisers and other third parties as required for the appropriate administration and management of the Plan.

Transfer of information outside the EEA

There may be instances where it will be necessary for us to transfer your information outside the EEA (for example, if we use service providers with overseas offices). If this is the case, we shall put in place appropriate safeguards to ensure that your information is held securely.

Your rights in relation to your information

You have a number of rights in relation to your information which we respect and aim to uphold. These include the following:

- You can ask us for the information we hold about you and a description of how we use that information.
- If you believe any information we hold on you may be inaccurate or incomplete, and you are unable to correct this information yourself, you can require us to rectify these inaccuracies.
- You can require us to erase your information in certain circumstances (excluding circumstances where the information is required for the purposes of administering the Plan or complying with any legal obligations).
- Where we process your information using automated means on the basis of your consent or to perform an agreement, you can request that we supply such information to another party.
- You can require us to restrict our use of your information or object to how it is used in certain circumstances.
- Where we process your information on the basis of our legitimate interests, you have the right to object to us processing your information in certain circumstances.
- Where you have given your consent to us to process your information for particular purposes (eg. in relation to information about your health), you may withdraw this consent at any time.

How to contact us

If you have any questions about how we use your information, if you wish to contact us about your rights or if you have any complaints about our use of your information, please contact us at:

Email: mippensions@aonhewitt.com

Phone: 0121 262 5093
(Monday to Friday, 9am to 5pm)

In writing: Motor Industry Pensions, c/o Aon Hewitt,
Colmore Gate, 2 Colmore Row,
Birmingham, B3 2QD

We will do our best to answer any question and resolve any complaint to your satisfaction. However, if you feel that we have not resolved your complaint, please note that you have the right to complain to the Information Commissioner's Office.

Please note that this Privacy Notice may be update from time to time. Any updates will be notified to you in writing.

Entrust Pension Limited
Trustee to the Motor Industry Pension Plan
March 2019