



# Motor Industry Pension Plan Newsletter

2024/2025

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**Welcome to this latest issue of your Plan newsletter, in which we update you on Plan developments and wider pensions news that may be relevant to you.**

The Motor Industry Pension Plan (the “Plan”) is a pension plan for employees and former employees of a number of different employers in the 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.

We also include the usual summary of the year's accounts and an update on the Plan's investments.

To note, the figures shown in this newsletter are in relation to the Plan year ended 5 April 2024, so please be aware that market conditions have changed since then.

### **Wider pensions news**

Our round-up of general pensions news starts on page 5. We report on changes to the pension tax allowances and include reminders on forthcoming changes to the minimum retirement age, and how to stay safe from pension scams.

If you have any questions about the Plan or your benefits, or you have a topic you want to see covered in our next issue, please do get in contact. The relevant details are on page 7.

**Ross Trustees Services Limited,**  
**part of the Independent Governance Group**  
Trustee to the Motor Industry Pension Plan April

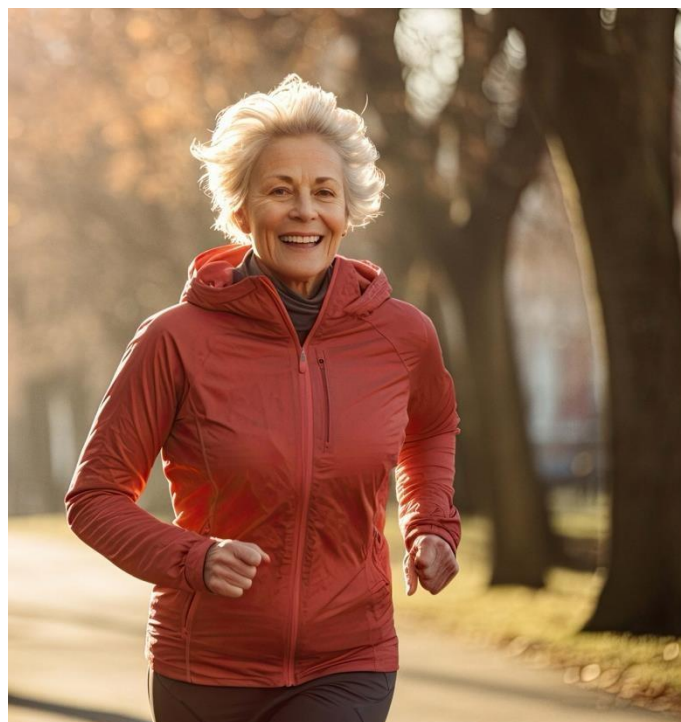
2025

# In numbers

## The membership

At 5 April 2024 there were 2,070 members in the Plan compared with 2,148 members at the same date last year. This does not include members who are paid by an annuity.

9	<b>Active members</b> Working for the Employers and paying regular contributions to build up further benefits in the Plan.
1,146	<b>Deferred members</b> No longer building up benefits but have benefits in the Plan for when they retire.
915	<b>Pensioner members</b> Receiving benefits from the Plan (and including the dependants of members who have died).



## The accounts

Here we show headline figures from the Plan's Annual Report and Accounts for the year ended 5 April 2024. 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 2024

£61.9M



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

(£3.2M)



The total value of Employer and member contributions paid in to the Plan during the year

£1.7M



The total value of benefits paid to members\* and expenses during the year

(£5.7M)

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

# 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 2024, the Plan held assets of £61.9m compared with £69.1m at the same date in 2023.

Whilst the level of assets has decreased over the year, we expect the Plan sections' funding positions to have remained relatively stable as a portion of the assets are invested to move in line with the liabilities thereby reduce the volatility of the Plan sections' funding levels.

The assets of the Plan's 'active' sections are managed by Aon Investments Limited. These funds provide reduced risk and improved diversification by spreading the Plan's investments across a wide range of asset classes. A small proportion of the Plan assets remain invested with Legal & General Investment Management Limited ("LGIM"), the investment arm of Legal & General Assurance (Pension Management) Limited. One of the remaining LGIM funds is a mix of equities and bonds, whilst there is also a gilts fund.

## Performance

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

	Over one year (%)		Over three years (% p.a.) (% per year)	
	Performance	Benchmark	Performance	Benchmark
Adept SF9 (Growth only)*	9.8	5.1	2.9	2.5
Adept SF20 (Fixed + 2%)	-2.5	-4.3	-14.3	-13.6
Adept SF21 (Real + 2%)	-4.2	-6.1	-10.6	-9.7
Adept SF22 (Fixed + 1%)	-3.5	-4.5	-14.1	-13.7
Adept SF23 (Real + 1%)	-5.6	-6.6	-10.6	-10.1
LGIM (80% equities/20% bonds)	9.5	9.5	4.9	4.6
LGIM (50% fixed gilts/50% index-linked gilts)	-5.7	-5.7	-13.3	-13.3

Performance shown is for the 1-year period and 3-year period to 31 March 2024.

Adept fund performance is net of fees, whilst LGIM fund performance is gross of fees.

The Adept SF25 (Low risk bonds) was fully disinvested in 2024.

\*The Adept SF9 (Growth only) fund was not invested in for the full reporting period. The performance shown above is for illustrative purposes.



# Investment update continued

## Investment market update

This market update relates to the period of 5 April 2023 to 5 April 2024, which is in line with the timeframe covered by the last Trustee Report and Accounts.

Global equities generated positive returns over the period. Inflation began to moderate in most major economies as the global economy proved more resilient than previously anticipated. The rally in Information Technology stocks was a major contributor to equity market gains over the period, as investor excitement over artificial intelligence grew.

US equities performed strongly over the period, rising 30.3% in local currency terms. Following Silicon Valley Bank's (SVB's) collapse in March 2023, investors shrugged off short-lived concerns over the banking sector and priced in a quicker end to the sharpest tightening cycle in recent history. Expectations for new revenue streams, driven by artificial intelligence, boosted optimism for the largest US technology stocks.

Emerging markets (EM) were the worst performers both in local and sterling terms as increases in interest rates by major developed central banks during the first half of the period and a strong dollar provided a headwind. Slower-than-expected economic recovery, and renewed US-China tensions put pressure on Chinese equities.

Over the period, UK gilt yields rose, as the Bank of England (BoE) raised its benchmark interest rate cumulatively by 100bps to 5.25%. The Monetary Policy Committee (MPC) indicated that monetary policy will need to remain restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term.

# In the news



## Autumn Budget

The Government is consulting on changes that might bring some items of pension savings into inheritance tax, but not until 6 April 2027. This means most unused pension funds and death benefit lump sums will be included within the value of a person's estate for Inheritance Tax purposes. The new Inheritance Tax rules on pensions are estimated to affect around 8% of estates each year and then change is expected to raise £640 million in 2027/28 rising to £1.34 billion thereafter. You may wish to talk to your financial adviser if you think this will affect your inheritance planning.

## Your pension tax allowances

The Government has made some changes in recent years to the tax allowances that apply to pension benefits, which are set out below. Please note that these allowances apply to the total of all your pension arrangements, not just those relating to the Scheme.

### Annual Allowance

This is the maximum amount you can add to your pension benefits each year tax free. The standard annual allowance for most people is £60,000. Higher earners – broadly someone with a total UK taxable income over £200,000 a year – might have a lower Annual Allowance.

You may have a Money Purchase Annual Allowance if you have savings in a Defined Contribution pension scheme and use these to provide certain benefits. Examples include taking some of your savings as cash or moving them into a drawdown arrangement and using them to provide you with an income. The Money Purchase Annual Allowance is £10,000.

### Lifetime Allowance

The Lifetime Allowance used to limit the total amount of pension savings you could take when you retire without having to pay extra tax. The Lifetime Allowance was abolished from 6 April 2024.

### Lump Sum Allowance

This is the maximum amount of tax-free cash you can take from your pension arrangements when you retire. The allowance is £268,275.

### Lump Sum and Death Benefit Allowance

This covers both the maximum amount of tax-free cash you can receive when you retire and your beneficiaries can receive following your death. It also covers any serious ill-health lump sums paid. This allowance is £1,073,100.

There are more details on the pension tax allowances on the Government's website. Go to [www.gov.uk/money/business-tax-pension-scheme-administration-tax-on-pensions](https://www.gov.uk/money/business-tax-pension-scheme-administration-tax-on-pensions).



You are responsible for monitoring your tax position. If you are unsure of your tax position, please speak to an independent financial adviser (see page 7)



# In the news

## Stay alert to the threat of pension fraud

As Trustee, we continue to be vigilant around the dangers of cyber security and fraud as a risk to the Scheme.

On an individual basis, recent research by LV= suggests that one in seven UK adults have been the victim of an attempted pension scam in the past year.

There are common signs to look out for. If you receive any of the below warning signs, it could well be a scam:

- Unsolicited contact about your pension.
- Undue pressure to make a quick decision.
- Promises of guaranteed investment returns.
- Information about apparent loopholes to access your pension savings early.

To learn more about how to protect yourself go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) and choose **Money troubles > Scams > How to spot a pension scam** (you may need to click 'View all' first).

The Financial Conduct Authority (FCA) also provides guidance on how to spot potential scams. Visit the ScamSmart area of their website: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

The National Cyber Security Centre has a Cyber Aware website that contains up-to-date advice on how to stay secure online. For more information, including a free personalised action plan to improve your cyber security, visit their website at [www.ncsc.gov.uk/cyberaware](http://www.ncsc.gov.uk/cyberaware)

## Newsbites

### Minimum retirement age to increase

The youngest age most people can start to receive their pension benefits will go up in April 2028 – from age 55 to age 57. If you think this is going to impact your retirement planning, the Trustee recommend you seek financial advice on your options.

The aim of this change is to keep the minimum retirement age at around 10 years below the State Pension Age, which is due to rise from 66 to 67 between 2026 and 2028.

### Pensions Dashboards update

The Pensions Dashboards Programme is developing an online framework to enable savers to keep track of all their pension savings in one place. All schemes must connect by 31 October 2026.

Once the framework is in place, the expectation is that multiple providers will connect to it. This will potentially give consumers a choice of where to go to monitor their savings. Providers are likely to include government-backed services such as MoneyHelper, pension providers and banks.

The Trustee is working with Aon to ensure Motor Industry Pension Plan members are connected as required. We will keep you updated on progress.

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

# More information



## Plan website

To find out more about the Plan, go to:  
[www.pensioninformation.aon.com/mipp/default.aspx](http://www.pensioninformation.aon.com/mipp/default.aspx)  
You can find the following information on the site:

- Previous Newsletters
- Investment Engagement Policy Implementation Statement
- Frequently Asked Questions

## Contact point

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

Email: [mippensions@aon.com](mailto:mippensions@aon.com)

Phone: 0333 207 9429  
(lines are open Monday to Friday, 9am to 5pm)

Write to: Motor Industry Pension Plan,  
Aon, PO Box 196  
Huddersfield  
HD8 1EG

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.

We are pleased to announce that Aon are enhancing their digital interactions with members and their representatives. You do not need to take any action at this point, however when contacting the helpline in future, you may be asked if you would like to receive future communications securely online. We can assure you this is not a scam and importantly, it will be an additional means of communicating with Aon alongside the existing communication channels.

## Over Normal Retirement Age?

If you are over the Normal Retirement Age (NRA) for the Plan, which is 60 or 65 depending on when you were a member, you should have previously received details of the benefits due in advance of your NRA. However, if you would like an up to date quotation or further information on the options available to you, please use the contact details provided above. Please note, neither Aon nor the Trustee are able to provide financial advice and we would always recommend seeking independent financial advice regarding your options.

## 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 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. 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' Annual Report & Accounts. Contact the administration team (details on the left).

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

<b>Administrator</b>	Aon Solutions UK Limited
<b>Actuary</b>	N Coates, FIA, Aon Solutions UK Limited (Appointed 18 October 2024) M Johnson, FIA, Aon Solutions UK Limited (Appointed 18 October 2024)
<b>Auditor</b>	Cooper Parry Group Limited
<b>Investment Adviser</b>	Aon Investments Limited
<b>Legal Adviser</b>	CMS Cameron McKenna Nabarro Olswang LLP

