

PENSION UPDATE

AUTUMN 2017

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CHAIR'S WELCOME

Welcome to the Autumn 2017 edition of the Scottish & Newcastle Pension Plan newsletter. In our last newsletter in Spring this year, we introduced you to the directors of our Trustee Board and HEINEKEN's in-house Pensions Team. In this issue, you can read about the members and responsibilities of the Trustee Board's committees on pages 4 & 5. There's also a feature on the work of the Member Relations Committee to help you understand how we manage our communications with you. In future editions of the newsletter we'll tell you more about the work of the other committees.

There's been a lot in the news recently about cyberattacks and the Trustee Board has been looking at the Plan's online security arrangements, including how the third parties we work with are managing this. You can find out more about this on page 3, alongside details of how the data protection law is changing next year. There's also some helpful advice on what actions you can take personally to keep your data safe.

On page 7 you can read an interview with our most recently appointed Trustee Director, Allan Whalley, and learn why having independent directors on the Trustee Board is important to the Plan.

If you've any questions about this newsletter, have any feedback or if you need to contact the Trustee Board, please use the details on the back page.



Robin Hoytema van Konijnenburg

Chair of Trustee Board

This year, HEINEKEN has agreed to a discretionary increase of 1.6% to pensioner members. This is effective from 1 November. The level of discretionary increase is set by HEINEKEN. While the Trustee Board has no part to play in that decision, we've confirmed with our actuary, as required under the Plan Rules, that the Funding Plan is able to support this increase.

WHAT'S ON OUR AGENDA?

Data protection law changes

From 25 May 2018 new laws about how we look after your data will come into force. They require the Trustee Board to have a specific plan for how we look after your data, including that shared with our third party contacts. We'll also need to show that we fully document the decisions we've made to keep your data secure. The Trustee Board and all third party contacts must ensure they only collect data that is absolutely necessary.

We've been working on getting all this in place in time for May 2018, when the law changes.

We'll be required to seek your consent in respect of the data we hold about you. Later this year/early next year, we'll issue you with a formal notice setting out the requirements and what you're consenting to. You'll also have the right to ask to see the information held about you.

We'll also be working closely with our advisers to ensure that the Plan is fully compliant and has a formal data protection policy in place, as well as continuing to focus on data accuracy. We'll provide final details in the Spring 2018 newsletter.

The Trustee Board has also been looking at the Plan's security arrangements to make sure they continue to meet the highest standards of protection, including ensuring that the risk of theft or damage to confidential information or personal data is minimised. The Trustee Board will be working with all its advisers to ensure they also have the relevant controls in place.

There are a number of actions which will be considered such as:

- (1) Due diligence on the security controls of our third party suppliers.
- (2) Risk assessments of all the systems used by our suppliers, including the Plan's administrator, Capita.
- (3) An audit review.
- (4) A review of internal controls and policies.

The Plan's administrator, Capita, will never contact you via email to ask for your login; your security questions to log in to the site; or ask for the answers to any of the questions they use when you telephone the helpline.

Cyber security

There's been a lot of news recently about ransomware attacks (where you can no longer access the information on your computer without paying a 'ransom') or phishing scams (where you are fraudulently encouraged to hand over data). There are some key things you can do to keep yourself safe from these kinds of attacks:

- (1) Update your software and any antivirus programmes you've installed.
- (2) Be wary of opening unsolicited emails, clicking on website ads, or downloading apps. Always check that anything you click on or download comes from a trustworthy source.
- (3) If you're unsure of the source of an email, or it looks fraudulent, contact the company it's from (using details on their website, not the email) to check.
- (4) Encrypt emails that contain personal data. This will protect the contents from being read by anyone other than the intended recipients. How to do this will depend on what program you use to send email.

Valuation

In October 2016 we agreed on the ongoing funding for the Plan after the triennial valuation. As advised in the last Autumn newsletter, the Trustee Board and HEINEKEN are working together to consider the longer term funding and investment strategy. This is a fairly lengthy process but shows the strong commitment both parties have to the Plan. We'll update you once details have been agreed. We'll be using the annual update provided by our actuary as an ongoing check on the finances of the Plan.

You can find the Plan's Summary Funding Statement, which includes details of the actuary's latest funding update, on the website, www.hartlinkonline.co.uk/snpensions.



YOUR TRUSTEE BOARD

INDEPENDENT			MEMBER NOMINATED		
Anne Kershaw	Dee Mair	Allan Whalley	Andy Ackerman	Ruth Bromley	Martin Coles

COMMITTEES

GOVERNANCE AND AUDIT COMMITTEE



Kelly Taylor-Welsh (Chair)
Ruth Bromley
Martin Coles

- Approves the process for selecting and monitoring the Plan's administrator and professional advisers.
- Reviews the annual audit of the Plan and prepares and signs off the Annual Accounts.
- Exercises delegated discretions in respect of members' benefits.
- Reviews risk management and internal controls.

INVESTMENT COMMITTEE



Anne Kershaw (Chair)
Robin Hoytema
Allan Whalley
plus non Trustee Board
representatives:
Frank De Waart
Radovan Sikorsky
Sean Paterson

- Makes recommendations to the Trustee Board on setting objectives and long-term investment strategy.
- Appoints and monitors the investment managers and Plan's custodian.

Neil Parfrey and Janis Ireland, HEINEKEN UK Pensions Team, support the various committees. In addition,

COMPANY APPOINTED

Robin Hoytema van
Konijnenburg (Chair)

Naomi Harding

Kelly
Taylor-Welsh

**We're
looking at the
work of the MRC
in this newsletter,
find out more on
page 6**

MEMBER RELATIONS COMMITTEE



Dee Mair (Chair)
Andy Ackerman
Naomi Harding

- Reviews the Plan website and other communications available to members.
- Makes recommendations to the Trustee Board about the type of information available to members.
- Prepares regular newsletters and approves all regular or ad hoc communications to members.

FUNDING COMMITTEE



Allan Whalley (Chair)
Anne Kershaw
Dee Mair

- Assesses the covenant strength and proposes the approach for setting actuarial assumptions at triennial valuations.
- Reviews provisional valuation results.
- Considers options for addressing any deficit arising out of a valuation.

Merry Barrow, HEINEKEN UK Internal Communications, supports the Member Relations Committee.

FOCUS ON: THE MEMBER RELATIONS COMMITTEE (MRC)

The MRC meets every three months but its members email and phone each other more frequently to ensure the communications projects run smoothly. The Committee comprises three Directors, plus Janis Ireland and Neil Parfrey from HEINEKEN's Pensions Team and Merry Barrow, Colleague Engagement Manager at HEINEKEN. Merry provides professional expertise as well as access to HEINEKEN resources such as the images we use in our newsletters.

The MRC has recently undertaken three major initiatives.

- **New look newsletter:** the Plan's newsletter was redesigned in Spring 2017, with brighter images and a clearer layout to help members engage with the content. Feedback has been very positive so far.
- **Customer satisfaction survey:** this survey is sent out by Capita, the Plan's administrator, after a member contacts them or receives a service such as a retirement quote. The MRC worked hard to ensure the survey is quick and easy to complete with clear questions and a range of responses. The survey responses will help the MRC and the Plan's Pensions Team to monitor the service Capita provides and will continue to develop the survey to ensure we're getting meaningful feedback. We'll provide updates in future newsletters.
- **Website leaflet:** this leaflet now accompanies any written communication with members. It explains how to use the Plan's website. Look out for it next time you receive a written communication from the Plan's administrator, Capita.

Our plan website is a valuable source of information for our members. The MRC is committed to increasing the number of members who engage with the plan online. More online communication will help reduce our costs and is more environmentally friendly.

We always appreciate feedback and we use it to continuously improve how we communicate with you.



Dee Mair



Andy Ackerman



Naomi Harding
(appointed 6 July 2016)



Janis Ireland
Governance and
Operations Manager



Neil Parfrey
Head of Pensions



Merry Barrow
Colleague Engagement Manager

Your feedback will help the Trustee Board to improve the service that is provided to all members.

MEET ALLAN WHALLEY, OUR NEWEST INDEPENDENT TRUSTEE DIRECTOR



Q: Hi Allan, and welcome to the Trustee Board. Can you let us know how you first got involved in pensions?

I started out, many years ago, at English China Clay as a trainee company secretary before I was offered a chance to work in the pensions department. That was in 1980 when I was nearly 20, and I've worked in pensions ever since.

Q: How have things changed in pensions since then?

When I first started, I was manually calculating members' benefits, working with A4 record cards that were manually updated. I then moved on to roles implementing systems, and heading up international pension and benefits teams at companies such as Cadburys. So many things have changed that it's been an exciting lifetime of learning! One of the biggest changes has been the closure of most final salary schemes. Trustees now have to focus their investment strategy on getting the income they need to pay pensions, rather than just growing the scheme's assets.

Q: How did you end up as an independent trustee?

I first became an independent trustee in 2014, and find it the most rewarding career. Being a trustee is such an important role and as an independent trustee you're there with the expertise, experience and the opportunity to really make a difference. Getting it right is special, as in the end you're securing benefits for members and making sure they get paid.

Q: What is different about being an independent trustee?

As an independent trustee you bring a level of knowledge from working on a range of different pension schemes. You can see what other pension schemes are doing that works, and you can challenge advisers and providers to get the best solutions for each scheme, accepting that the needs of each may differ significantly.

Q: What piece of financial knowledge would you have liked your younger self to know?

The power of compound interest! It makes such a difference to how much you get from your savings, so any investing that you do, start early. Compound interest means that with a return of 10% per year you can double your money in seven years, so it's always worth starting to save as early as you can.

Q: If you could go for a drink with anyone, who would it be?

I've always been fascinated by Leonardo Da Vinci, he was such a forward thinker (though he probably didn't think about pensions!). His designs and models are just staggering, so I'd enjoy a chat with him.

MEMBERS' CORNER

The Members' corner is a new section of the newsletter. In this and future editions we'll give you tips on where to find out information about your Plan.

In this issue we look at what to do if someone dies. We know that there's often a lot of things to sort out after someone who is a member dies, either if they are in receipt of a pension or a deferred pensioner. To make contacting us easier when this happens, we've put some common Q&As on the website www.hartlinkonline.co.uk/snpensions.

You don't have to log in to the website to access these Q&As. You may wish to share this information with your family or friends so they know how to access the information in the event of your death. It would also be useful to give them details of the Plan's administrator, Capita, which can be found on the back page of this newsletter.

If you have any topics you'd like to see covered in Members' Corner, let us know using the contact details on the back page.



SCOTTISH & NEWCASTLE PENSION PLAN

CONTACT US

Please remember to quote your
National Insurance number in
any correspondence.



By phone:
0345 600 2086



Pensioner Payroll Helpline:
0345 600 3260



Online:
www.hartlinkonline.co.uk/snpensions



By email:
snpensions@capita.co.uk



By post:
Scottish & Newcastle Pension Plan
Capita
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

