



 **HEINEKEN**

**SCOTTISH &  
NEWCASTLE**  

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**PENSION PLAN**



# Here's to **PENSIONS**

THE NEWSLETTER FOR MEMBERS OF THE  
SCOTTISH & NEWCASTLE PENSION PLAN

AUTUMN 2022

# CHAIRMAN'S WELCOME

Welcome to the autumn issue of *Here's to Pensions*. It includes a number of articles about the Scottish & Newcastle Pension Plan and the wider world of pensions, which I hope you find useful.



As the cost of living crisis bites, we know that many of our pensioners will be wondering whether their pension increase will help to offset rising prices. We understand that these are worrying times for you, so we have tried to remove some of the uncertainty by explaining (on page 4) how the Plan's pension increases work. This year, HEINEKEN has agreed to a discretionary increase of 5% to those pensioner members whose benefits entitle them to discretionary increases.

As reported in the spring issue, we have two new trustees, Max Graesser and John Hutchison, who were appointed as an independent Trustee Director and Company-appointed Director respectively. You can find out a bit more about them on pages 10 and 11.

In other news, the Pensions Regulator has published new guidance to help protect members with Additional Voluntary Contributions (AVCs) from becoming victims of

pension scams. This follows the announcement last year that pension administrators would need to carry out extra checks before allowing transfers to take place. Turn to page 7.

Recent investment performance has been negative for the majority of schemes, and the Plan is no different. Despite this, the Plan's funding position continues to improve because of the measures taken by the Trustee and the effect of the Funding Agreement with the Company.

I hope the information provided in this newsletter helps you understand how the Plan is managed on your behalf. If you have any questions or would like further information, please contact the Plan administrator, Capita. Their details are given on the back page.

**Jane Scriven**  
**Chair of Trustee Board**



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# INFLATION AND YOUR PENSION

Plan pensions are currently increased each year to help them keep pace with inflation (the increase in the cost of living), which as you probably know has been at record levels this year. The Trustee is very conscious of the impact that inflation has on your pension. It is, however, restricted in the actions it can take by the Plan Rules. HEINEKEN has an absolute power to grant discretionary increases should it so decide.

Depending on when you built up pension and which section you were in, different blocks of your pension increase in slightly different ways:

<b><i>Inflation-linked</i></b>	Some blocks may receive increases that are linked to changes in an index* that measures inflation – although in our Plan, all of these increases are capped at a maximum percentage. For example, even if inflation is running at 10%, if your block is ‘capped’ at say 5%, then it won’t be increased by more than that.
<b><i>Fixed</i></b>	Some blocks may receive a fixed increase – the same every year (i.e., not linked to inflation).
<b><i>Non-increasing</i></b>	Some blocks don’t receive any increases.
<b><i>Discretionary</i></b>	Some blocks may have discretionary increases applied to them. Discretionary increases are determined by the Company, and the Trustee has no say in their level. This year, HEINEKEN has granted a discretionary increase of 5%.
<b><i>GMP</i></b>	The Government sets minimum increases that must be applied to the Guaranteed Minimum Pension (GMP) block of your pension. The Plan is not required to increase GMP built up before 1988 and only has to increase post-88 GMP in line with inflation** up to a maximum of 3%.

\*The Retail Prices Index (RPI) and the Consumer Prices Index (CPI) are two measures of inflation. Both measure changes from month to month in the cost of a basket of goods and services bought by consumers in the UK. The baskets are slightly different – for example, RPI includes the cost of housing whereas CPI does not.

\*\*As measured by the Consumer Prices Index (CPI).

Pension increases are paid in November and you will receive an individual pension increase letter in that month, showing how your pension has been increased (if applicable) with effect from 1 November. However, because inflation is so high currently, and all inflation-linked increases in the Plan are capped, it's probably safe to say that no one will receive an increase that covers the full rise in the cost of living this year.

## STATE PENSION

You might also get a State pension as well as your SNPP pension. The State pension increases by the 'triple lock' – the highest of inflation, earnings or 2.5% – and consequently keeps pace with inflation. The State Pension is due to rise from April next year in line with inflation measured in the year to September – the increase recently published for the year to August was an increase of 9.9%. However, there are no guarantees – as State pensioners discovered earlier this year when the Government cancelled the triple lock in response to a Covid-skewed rise in average earnings.

## DEFERRED MEMBERS

If you're a deferred member, your pension may receive increases between when you left the Plan and when you start to draw it (known as 'revaluation'). Some increases are set by the Government ('statutory') and some are set out in the Plan Rules. Plan increases for individual years are capped at 5% but your pension will be reviewed against the cumulative rate over the period of deferment, so that if inflation is below 5% in any year, some or all of the shortfall can be recovered.

When you start to draw your pension, you will be told if your pension will receive annual increases or not. You can also run a statement on the online portal at any time to see the current value of your deferred pension.

If you retire late, and statutory revaluation applies to your pension, please note it will end at your normal retirement date, after which time late retirement factors will be applied to your deferred pension.

# PENSIONS NEWS

## LIFETIME ALLOWANCE

The Lifetime Allowance (LTA) is the maximum amount of pension savings you can have at retirement from all pension schemes without incurring an additional tax charge. The LTA remains frozen at £1,073,100 and is likely to remain at this level until April 2026.

## NORMAL MINIMUM PENSION AGE SET TO GO UP

The Finance Act 2022 has made official the planned increase in the normal minimum pension age (NMPA) from 55 to 57 in April 2028. The NMPA is the earliest age at which most pension savers can access their pensions without incurring a tax charge, unless they retire due to ill health. The NMPA has been 55 since 6 April 2010 for most pension savers.

## FINDING AN ADVISER

These days, more people may be tempted to access their retirement savings to help pay the bills – making them an ideal target for pension scammers. If you are considering transferring your Plan benefits to another pension arrangement, the Trustee strongly recommends that you seek independent financial advice (and you will be required to do so if you wish to transfer more than £30,000).

The Personal Finance Society has set up the Pension Transfer Gold Standard, a set of professional standards for financial advisers. Those who have signed up to it will have the Pension Transfer Gold Standard shield next to their name. Their website has a consumer guide that can help you understand what good advice looks like:



<https://www.thepfs.org/media/10121247/pension-transfer-gold-standard-logo-consumer-guide-a5-size-web-p1.pdf>

The Financial Conduct Authority (FCA) website has information on how to find a financial adviser and important points to consider when obtaining financial advice:



<https://www.fca.org.uk/consumers/pension-transfer/advice-what-expect>

The FCA also has a page on how to avoid a pension scam: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

## TRUSTEES PREPARE FOR SINGLE CODE

Current trustee boards run their pension schemes in line with a set of 15 'codes of practice' produced by the Pensions Regulator, covering everything from administration to communications. After a consultation, 10 of these codes will be consolidated into one 'super code', as the Regulator seeks to clarify its position on various issues. There are some additional requirements for trustees, as well as new sections on cyber security, stewardship and climate change. The Trustee's Risk Committee has been working with the Plan's advisers to ensure the Trustee meets the requirements.

## IF YOU HAVE PAID AVCS

From June 2022, the Pensions Regulator introduced new measures to help members prepare for their retirement and make better informed decisions about the options available to them.

If you have made any Additional Voluntary Contributions (AVCs) and want to start receiving your pension, Capita must first offer to book a pension guidance appointment for you with Pension Wise, a Government service run by MoneyHelper. These appointments can take place over the phone or in person. If you do not want to take the free guidance, you just need to let Capita know that you wish to opt out when you receive your paperwork.

# PLAN NOTICEBOARD

## UPDATE ON GMP EQUALISATION

All UK pension schemes whose members have Guaranteed Minimum Pensions (GMPs) have to make sure that no one has a lower pension as a result of their sex – a process called ‘GMP equalisation’.

At the same time, we also have to check the Plan’s GMP records against those held by Her Majesty’s Revenue & Customs (HMRC). This is a different exercise to GMP equalisation. If this process shows that our GMP data in respect of you does not match HMRC’s, we may need to update our records and correct (rectify) your pension. GMP rectification will probably take place first (likely in early 2023), before GMP equalisation follows later in the year.

You don’t need to do anything for now, as we will contact any members who are affected in due course. Just to reassure you, nobody’s pension will go down because of GMP equalisation. If you are entitled to an uplift, this is likely to be modest and we will let you know as soon as we can. In the meantime, we will continue paying your pension on the current basis.

## INVESTING FOR GOOD

Under new rules coming into force in October 2022, larger schemes like ours have to publish a climate change report that sets out what the Trustee is doing to understand and address the Plan’s climate-related risks and opportunities. This will be made available on the Plan website next year. In the meantime, you can see the Statement of Investment Principles and Implementation Statement (which set out the Trustee’s investment strategy and how we put our voting and stewardship policy into practice) at [www.snpenensions.co.uk/about-the-plan/library/](http://www.snpenensions.co.uk/about-the-plan/library/). We also have to measure the impact of our investments on climate change and will be reporting on all of these when we next publish our financial statements, which will likely be in April 2023.





## PENSION PORTAL

If you haven't already registered for Capita's secure online portal, we'd encourage you to do so the next time you have a spare five minutes. The portal has important information about your SNPP benefits and makes it easier for you to manage your data. Find it at [www.snptions.co.uk](http://www.snptions.co.uk) – click on 'manage your pension'. If you have problems registering for or using the online portal, please contact Capita on 0345 600 2086 (+44 114 273 7331 if overseas) or email [snptions@capita.com](mailto:snptions@capita.com).

If you forget any of your login details (login name, password or PIN), you can request a reminder.

## CHANGES TO THE PLAN'S PRIVACY NOTICE

You will have received a copy of the Plan's privacy notice in 2018, following the GDPR (General Data Protection Regulation) coming into force. The privacy notice explains how we collect and process your personal data in connection with the administration of the SNPP. It describes what personal data we collect about you, the basis upon which we process it, with whom it is shared, how it is stored and certain other important information relating to the protection of your personal data.

The Trustee has recently carried out a review of its privacy notice to ensure it remains up to date and has made a few minor changes to this document. In summary, these changes:

- (i) make clear that Capita, the Plan's administrator, may record any calls to its helpline; and
- (ii) following guidance published by the Information Commissioner's Office, set out the Trustee's revised legal basis for processing special category data (typically data concerning health or sexual orientation). A copy of the updated privacy notice can be obtained from the Plan website, [www.snptions.co.uk/about-the-plan/library](http://www.snptions.co.uk/about-the-plan/library)

# 5 MINUTES WITH...MAX AND JOHN



## MAX GRAESSER

Max is an independent Trustee Director who joined the Board in April, following the departure of Dee Mair after nine years.

### 1. What's your background and how did you come to be a pension scheme trustee?

I spent 30 years working for ITV in production, commercial and operations roles before turning to consulting work on several interesting projects, including helping a charity roll out an anti-slavery programme across India. I was first asked to become a pension trustee for my own scheme at ITV in 2009 as I was leaving the company and my experience just grew from there. More recently I have become a trustee and now chair of a multi-academy school trust where I live in Devon.

### 2. What does an independent Trustee Director do?

The same as all trustees, an independent must act in the best interests of scheme members. That said, the expectation is that independent trustees bring a breadth of knowledge and experience to help solve the ever more complex challenges that pension trustees face.

### 3. Which other company pension schemes do you work for?

I was a pension trustee at ITV, before being appointed chair for a five-year term. At the same time, I was also appointed chair of trustees for three schemes in the Babcock International Group and the chair of some of the UK schemes of Ricoh Europe. I remain chair of the Ricoh schemes.

### 4. What were your first impressions of the Scottish & Newcastle Pension Plan?

It's a real privilege to join the board of a well-run scheme, with knowledgeable trustees who are really getting to grips with the challenges and risks the scheme faces. It's also good to see that there's a long-term plan in place, agreed with the Company, that we are all working to deliver.

### 5. What do you like to do in your spare time?

I like to spend as much time as I can sailing at home and abroad.

### 6. Beer or cider?

Both.



## JOHN HUTCHISON

John, a deferred member of the Plan, is a Company-appointed Trustee Director who replaces Naomi Harding following her resignation from HEINEKEN.

### 1. What's your job role in HEINEKEN?

I have worked for the S&N/HEINEKEN business for 20 years. I have been the Head of Procurement here at HEINEKEN for the past three years and previously worked for 17 years in our sales/commerce function.

### 2. Why did you want to become a Trustee Director?

Personally, it is a fantastic developmental opportunity to learn the intricacies of the pensions world. I've always had a very keen personal interest in pensions and investments, and I'm already learning so much from the experienced trustees around me!

### 3. What's your favourite HEINEKEN brand?

I love Birra Moretti, however if I'm honest I enjoy all the beer and ciders that we make!

### 4. What's the one thing you'd like to do when you retire?

Travelling the world... With three young children (12, 7 and 3), it isn't easy to see the far corners of the world at present. But I'm looking forward to exploring once they have grown up!

### 5. What are your hobbies?

I love running and cycling, but having kids means most of my free time is spent watching them play sport!



# CONTACT US

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This newsletter has been prepared by the Trustee of the Scottish & Newcastle Pension Plan. None of the information in it constitutes financial advice or guidance. You should consider seeking your own independent financial advice if you are in any doubt about the benefits and options available to you or your dependants.

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