

SCOTTISH &
NEWCASTLE
PENSION PLAN

Here's to PENSIONS

THE NEWSLETTER FOR MEMBERS OF THE
SCOTTISH & NEWCASTLE PENSION PLAN

AUTUMN 2023

 **HEINEKEN**





CHAIR'S WELCOME

I am delighted to welcome you to our autumn issue of *Here's to Pensions*, the newsletter for members of the Scottish & Newcastle Pension Plan.

You may have seen in the news recently that our Plan administrator, Capita, experienced a cyber attack earlier this year. The Trustee has written to affected members with details of the support that is available, and you can read more about this on page 6. However, I would like to reassure you that Capita currently has no evidence that any information obtained through this attack has been misused.

Unfortunately, we all have to be alert to the risks posed by criminals – whether that's hackers or pension scammers. It can be difficult to recognise a pension scam, and the scammers often use a range of techniques to catch people off guard. For a more in-depth look at how scammers operate, you should read our article on page 8.



INSIDE THIS ISSUE

The Plan's Directors have been very busy since we last wrote to you and there have been a number of changes we'd like to share. One of our Company Appointed Directors, John Hutchison, left us in August of this year and I would like to personally thank him for all his hard work on the Plan and wish him the best in the future. We will update the Plan website with details of his replacement in due course. We've also seen some changes to the various Trustee subcommittees, which you can read about on page 10.

We understand that the current economic climate is very unpredictable as the cost of living crisis continues to make itself known. With this in mind, HEINEKEN has agreed a discretionary increase of 3% to pensioner members whose benefits entitle them to discretionary increases. Please note that the Trustee is not involved in the decision-making around this discretionary increase.

I hope that you find this newsletter helpful and informative, and that it gives you a better insight into how the Plan is managed and run. If you have any questions or would like further information, you can contact the Plan administrator, Capita, using the details on the back page.

Jane Scriven

Chair of the Trustee Board

- 04 Pensions news
- 06 Plan noticeboard
- 08 Members' corner
- 09 Running the Plan
- 12 Contact us

PENSIONS NEWS

CHANGES TO PENSIONS TAX ALLOWANCES

In his March budget, the chancellor announced a raft of changes to pensions tax allowances. This includes scrapping the Lifetime Allowance (LTA) from April 2024 (subject to the relevant laws being passed). The LTA is a limit on the amount of pension savings you can build up tax free over your lifetime. If you went over the limit (currently just over £1 million), you had to pay a tax charge at retirement on the excess of up to 55%, but this charge was abolished from April 2023.

The chancellor also raised the limits on how much you can pay into a pension tax free in each tax year (if you're still contributing into a pension).

You can find out more at
www.GOV.uk/tax-on-your-private-pension

Capita cannot provide advice on personal financial matters, so if you think you might be affected by these changes you should consider speaking to an independent financial adviser. You can find an adviser in your area at
www.unbiased.co.uk

STATE PENSION AGE RISING TO 67

The State pension age is set to rise from 66 to 67 by 2028. The government had considered bringing forward the planned rise to 68 to 2039 (rather than 2044-46) but it confirmed recently that it would stick to the original timetable.

PENSIONS DASHBOARD FACES DELAYS

Despite hopes that the pensions dashboard would be launched this year, the government has confirmed that the timetable has been pushed back. This is to give the industry more time to resolve issues and develop more guidance for pension providers.

The dashboard aims to provide a single point of reference for members to view information about their pension savings, as well as potentially offer a means of reuniting people with their lost pension pots.

If you think you may have lost a pension pot, the Pension Tracing Service is a free government service on hand to help. You can phone the service directly on 0800 731 0193 or search 'pension tracing' on the www.GOV.uk website. You should have your national insurance number available.

UPDATE TO THE RETIREMENT LIVING STANDARDS

Many members wonder how much they should save for retirement. The honest answer is: it depends on how much you're likely to spend in retirement. The Retirement Living Standards website was created to provide clear and simple guidance about how much income you'll need.

What you'll need also depends on what your expectations are, so the Retirement Living Standards show you figures for a minimum, moderate or comfortable standard of living.

The Standards have recently been updated to take into account the rising costs we've all experienced. Their most recent research indicates that you would spend the following amounts per year, depending on your lifestyle of choice:

	Single	Couple
Minimum	£12,800	£19,900
Moderate	£23,300	£34,000
Comfortable	£37,300	£54,500

.....
For a more in-depth look at the figures, go to www.retirementlivingstandards.org.uk
.....



PLAN NOTICEBOARD

CAPITA CYBER ATTACK

The Trustee wrote to affected members earlier this year to share that the Plan's administrator, Capita, was subject to a cyber attack. As part of this attack, files containing personal data relating to some members of the Plan were exfiltrated. Many other pension schemes were affected, including those of Marks & Spencer, Unilever and Royal Mail.

Capita has no evidence that information resulting from this incident has been misused or that it is available illegally, including on any third-party websites.

On receiving notification of the cyber incident, the Trustee notified all relevant bodies, including the Information Commissioner's Office and the Pensions Regulator, as well as all affected members. The Trustee continues to work closely with Capita to resolve this issue and support anyone in the Plan whose data was exfiltrated during this attack.

To minimise the risk of fraudulent activity, Capita has offered all affected members a credit checking service for 12 months through a company called Experian, free of charge, as well as a helpline to call with any queries.

PENSION INCREASES

This year, HEINEKEN has decided on a discretionary increase of 3% to pensioner members. This is effective from 1 November 2023. The level of discretionary increase is set by HEINEKEN. While the Trustee 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.



UPDATE ON GMP EQUALISATION

As mentioned in previous newsletters, there are two ongoing projects with respect to Guaranteed Minimum Pensions (GMPs):



GMP rectification – this is the process of updating the Plan's records, having checked the Plan's GMP records with those held by His Majesty's Revenue & Customs (HMRC).



GMP equalisation – this is required following a recent court case and means we have to correct historic differences in GMP to make sure everyone, irrespective of their sex, gets the same GMP. GMP equalisation only applies to GMP built up after 17 May 1990.

We are pleased to confirm that these projects are due to be finished this year.

Some members will be affected by GMP rectification and GMP equalisation. Some may only be affected by one of these, and some will not be affected at all.

We have begun correcting pensions – so you may already have received a letter from us explaining the impact on your pension.

We expect to have communicated with all members who are affected by the end of the year.

If you don't hear from us, then neither of these issues affect you.

Whether you are affected or not, you don't need to do anything. Your pension will automatically be adjusted. This has been a big project and we are delighted to be close to completion.

MEMBERS' CORNER

NEW AND IMPROVED HARTLINK

Capita has been hard at work giving their member portal, Hartlink Online, a bit of a refresh to help improve the user experience.

They are hoping to launch it shortly and would welcome any feedback from members.

Please note, the portal's web address won't change and neither will your login details. If you haven't yet registered for Hartlink Online, please do take five minutes to set up an account.

You can access the portal through the Plan website at www.sn pensions.com – simply click on 'Manage your pension' and then 'Register'.

PENSION SCAMS: KNOW THE SIGNS

Sadly, we continue to remind members to be aware of the danger of pension scams. Recent research by the Financial Conduct Authority and the Pensions Regulator found that half of pension savers do not believe that they are at risk of being targeted by a pension scammer, but pension scams can happen to anyone.

Scam tactics include:

- contact out of the blue
- promises of high or guaranteed returns
- free pension reviews
- access to your pension before age 55
- pressure to act quickly.

In a new twist, scammers are now operating as so-called 'claims management companies' – they may claim you've been mis-sold a pension and use subject access requests to get their hands on your personal data. Please be very careful if you're approached in this context.

Find out more at <https://www.fca.org.uk/consumers/pension-scams>

RUNNING THE PLAN

• The board of Trustee Directors that manages the Plan is made up of three Independent Directors, three Member Nominated Directors and three Company Appointed Directors.

Jane Scriven (Chair)

Mark Condon

Max Graesser

Kelly Taylor-Welsh

Jill Adamson

Martin Coles

James Sharpe

Sandra Winstanley

Vacancy

As well as managing the day-to-day operations, the Directors also form various subcommittees that focus on a particular aspect of running the Plan.

For a full overview of our subcommittees and their members, visit www.sn pensions.co.uk/about-the-plan/trustee-subcommittees/





INTRODUCTION TO THE RISK COMMITTEE

Max Graesser, who chairs the Risk Committee, gave us an insight into the work carried out by himself and his fellow committee members.



When was the Risk Committee set up and why?

The Risk Committee was set up in Spring 2022 to make sure we keep a sharp focus on the risks and issues that could stop the Plan achieving its overall objectives. We also have responsibility for ensuring that we are compliant with the Pension Regulator's General Code of Practice which details the characteristics of a well-run pension scheme.

Why is it important to have a Risk Committee?

The Risk Committee identifies the risks and issues which might trip us up on the path to achieving our objectives, ensures we put in place the actions to mitigate those risks, and then monitors the right key performance indicators to spot when trouble is brewing.

Please explain in layman's terms what the Risk Committee does?

Risk management underpins all activity across the Plan including the work of the Investment Committee, the Funding Committee, the Administration Team and so on. The Risk Committee has put in place a risk management framework to coordinate the work and ensure that all relevant risks to the Plan are identified, assessed and monitored on a consistent basis.

Who appoints the members of the Risk Committee?

The members of the Committee are appointed by the Board.

How often do you meet?

A minimum of four times a year.

Do you have any specialist advisers who attend your committee meetings?

We have appointed specialist advisers from Isio who have expertise in risk management and scheme governance.

What have been identified as the main risks facing the S&N Pension Plan?

The main risks facing pension schemes are the possibility of investment or funding plans not working as expected, or changes in the strength of the employer covenant. Alongside those risks, we also think about the impact of corporate stewardship and climate change (ESG), the danger of cyber attack, and glitches in the operational performance of the administration service.

The Pensions Regulator has issued guidance to help trustees manage risks when using Liability Driven Investment (LDI); was this ever identified as a risk prior to events last year?

The Investment Committee considered a number of risk issues when designing the LDI programme for SNPP, including the need to meet unexpected collateral calls (essentially the need to provide cash to our investment managers under certain circumstances), and put appropriate arrangements in place. As a result, we were able to ride out the unprecedented demands for collateral during the crisis last autumn without any negative consequences.



CONTACT US

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

Telephone:

0345 600 2086

0345 600 3260 (pensioner payroll helpline) +44 114 273 7331 (overseas)

Email:

snpensions@capita.co.uk

Address:

Scottish & Newcastle Pension Plan

Capita

PO Box 555

Stead House

Darlington DL1 9YT

Online:

www.snpensions.com

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.

