

SCOTTISH &
NEWCASTLE
PENSION PLAN



Here's to PENSIONS

AUTUMN 2024



WELCOME

• Welcome to the autumn 2024 issue of
• *Here's to Pensions*, which we hope you'll
• find helpful in understanding how the
• Plan is being managed.

Although the economic environment for pension schemes has continued to be challenging, we're pleased to see that inflationary pressures are reducing.

At the time of writing, the actuarial valuation as at 31 October 2024 is about to get under way. This will take into account the latest inflation and interest rate expectations, with assumptions that have been agreed by the Trustee, HEINEKEN and the Plan Actuary. At the last check-up in 2023, the Plan's assets represented around 96% of the value of its liabilities.

The deadline for completing the valuation is 31 January 2026. This will form a basis for a review of the Plan's funding and investment strategies. In the meantime, the Trustee continues to monitor the performance of the Plan and the financial strength of HEINEKEN.



INSIDE THIS ISSUE

Aside from the valuation, maintaining and monitoring the administration of the Plan by Capita is always a key area of focus for the Trustee. As you'll know, Capita was targeted by cyber criminals last year, but I'm pleased to say there's no evidence of any member data being accessed online.

The Trustee also continues to monitor the covenant of HEINEKEN, and our latest review confirmed there was a strong covenant.

A growing area for the Trustee has been to develop an investment strategy for the Plan that takes account of environmental, social and governance (ESG) factors. Some members have asked for more details about ESG, so Mark Condron, who heads up the Investment Committee, answers their questions on page 4 of this newsletter.



Jane Scriven
Chair of the Trustee Board

I hope you find the information in this newsletter interesting and informative and that it reassures you that your retirement savings with the Plan are being looked after well. I'd welcome any feedback you may have on this report. This can be sent by email or post to the address on the back page.

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INVESTING FOR GOOD: ESG AND THE PLAN'S ASSETS

The Trustee Directors recognise the importance of environmental, social and governance (ESG) considerations when selecting investments for the Plan's long-term sustainability. Here, Mark Condon, one of our Independent Directors and Chair of the Investment Committee, answers some questions from members about the Plan's approach to ESG investing.

WHAT IS ESG AND WHY IS IT IMPORTANT TO THE PLAN?

ESG stands for environmental, social and governance. Typical ESG factors which companies think about would include climate change, pollution, employee relations or tax strategy. The Plan has a large amount of money invested with several investment managers, and the Trustee believes in the importance of being a responsible investor. This includes ensuring that ESG factors have been fully considered in deciding on how we invest.

WHAT CHANGES HAVE BEEN MADE TO THE PLAN'S INVESTMENTS IN RECENT YEARS TO MAKE THEM MORE ESG-FOCUSED?

We've made several changes in recent years, for example our bond manager, Insight, now takes into account climate factors in selecting specific investments. And, by tracking the MSCI World Low Carbon Leaders Index, we aim to address two dimensions of carbon exposure: carbon emissions and fossil fuel reserves.

We also have a clear ESG policy, which is shared with our investment managers and sets out our expectations for how we'd like to see the Plan's assets invested.



HOW MUCH INFLUENCE DOES THE PLAN HAVE ON THE COMPANIES IT INVESTS IN, TO MAKE THEM TO FOLLOW AN ESG APPROACH?

The funds are invested through investment managers rather than directly with companies. This is done for various reasons, including ensuring that we have an appropriate spread of investments. We expect our investment managers to select companies and investments which are in line with our ESG policy. We also expect our investment managers to sign up to various industry codes such as UNPRI (United Nations Principles of Responsible Investment).

IS IT POSSIBLE THAT BY FOLLOWING AN ESG APPROACH, THE PLAN COULD END UP WITH LESS MONEY THAN IF IT INVESTED IN A MORE TRADITIONAL WAY?

We believe that taking proper account of ESG factors will make a positive contribution to Plan funding over the medium to long term. However, as with all investment markets, this isn't guaranteed, particularly over shorter periods. Working with our expert advisers, we keep our investment performance under careful review – if returns were falling short, we would take steps to address the underlying issue.

HOW DOES THE TRUSTEE MEASURE THE PLAN'S PROGRESS IN THIS AREA?

The whole field of responsible investment, climate change and social responsibility has seen a significant increase in importance in recent years. Since we first introduced our ESG policy in 2021, we've seen a clear uptick in investment managers building ESG factors into their approach. Each year we carry out a detailed assessment of each manager to ensure that they continue to meet our expectations on ESG matters. We also publish an annual TCFD* report which looks specifically at climate impact on our investments, and we publish this on our website.

HOW WILL MEMBERS KNOW WHAT DIFFERENCE THE TRUSTEE'S ESG APPROACH IS HAVING?

In financial terms, if our investment approach (including ESG policy) is working then we should see a steady improvement in the Plan's funding level. However, we also want to consider the wider impact of our investment decisions on the environment and society, so it's also pleasing to see that our investment managers are taking proper account of ESG factors in investing the Plan's assets.

** Task Force on Climate-related Financial Disclosures*

PLAN NOTICEBOARD

LOOKING AHEAD TO THE 2024 VALUATION

This October, the Plan actuary will start to work out how much money we'll need to pay members their pensions now and into the future. The actuary will compare this figure to how much money we currently have in the Plan – our 'assets'. This process is called a valuation and we do it every three years.

If our assets are more than we currently need, that's known as a surplus. If our assets are less than we currently need, that's known as a deficit.

The deadline for completing the valuation is 31 January 2026, but the Trustee aims to complete it well in advance of this deadline. Please check the news page on the Plan website for any updates.

PENSION INCREASES

This year, HEINEKEN has decided on a discretionary increase of 1.9% to pensioner members. This is effective from 1 November 2024. 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.

CAPITA CYBER-ATTACK: UPDATE

Following last year's cyber-attack, Capita offered affected members 12 months of free ID monitoring services from Experian. This has now expired. Capita had been advised by its third-party experts that this would help minimise the potential impact of the cyber-incident, and that 12 months of ID monitoring was in line with market standards.

Remember, at the moment, Capita has found absolutely no evidence of information being sold online because of this incident, and we are not aware of any member who has been the victim of fraud as a result of this cyber-attack. Capita has commissioned third parties to do those checks.



TELL US YOUR WISHES

An Expression of Wish form tells us who you'd choose to receive any lump sum benefits from the Plan in the event of your death. We refer to these chosen individuals as beneficiaries. What you write on the form is a key influence for the Trustee, who will use this information to make a decision about who should receive this payment.

You can easily update your wishes through the online portal. Once you've registered and logged in, please go to the 'My Expression of Wish' tab and select 'add' or 'update'. This information will supersede any forms you have previously completed and will be viewable online.

Alternatively, you can print an Expression of Wish form to complete and return to Capita by post. Please note, if you've been in receipt of a pension from the Plan for more than five years, a lump sum is not normally payable on your death, so you don't need to complete a form. Further details are shown on the 'My Death Benefits' tab.

Unmarried but living together?

If you're married or in a civil partnership, and your Plan benefits under the Rules include a spouse's pension, then this would automatically become payable on your death.

However, if you're unmarried, then you need to nominate your partner to receive a benefit from your pension by completing an Unmarried Partner Declaration form.

You can do this via the online portal (the Unmarried Partner Declaration is held on the same page as your Expression of Wish) or you can download a copy from the Plan website's library.

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Regardless of whether you're married or not, you should also complete an Expression of Wish form in respect of any lump sum payments from the Plan.

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PENSIONS NEWS

COULD YOU BOOST YOUR STATE PENSION?

The government has launched a new online service that makes it easier for people to check if they have any gaps in their National Insurance (NI) record, how much it might cost to fill those gaps – and how much their State Pension might increase if they did.

You need 35 years of NI credits to receive a full State Pension, so this option might be useful if you took a career break to raise a family or care for a loved one, or worked abroad for a time.

You're usually only able to pay voluntary NI contributions covering the past six years, but there's currently a concession allowing you to fill any gaps in your NI record between April 2006 and April 2016 if you're eligible. This expires on 5 April 2025, so you may need to act quickly.

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Visit www.gov.uk/check-state-pension to find out more.
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IF YOU HAVE A COMPLAINT

We hope you never have reason to complain about the service provided by the Plan, but if you do there are formal processes in place for making sure your complaint is addressed in a timely manner – with the option to pass it on to the Pensions Ombudsman if you feel this hasn't happened.

In order to address historical caseloads and reduce waiting times, however, the Pensions Ombudsman has now tightened the criteria for investigating member complaints about the service you have received from a pension scheme. If you wish to make a complaint, you will first need to use the scheme's 'internal disputes resolution procedure' (IDRP). The Ombudsman will expect this procedure to be exhausted before engaging with your complaint.

You can find details of the Plan's IDRP on the Plan website, under 'Contact us'.



RUNNING THE PLAN

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

Jane Scriven (Chair)

Mark Condon

Max Graesser

Kelly Taylor-Welsh

Jill Adamson

Martin Coles

Sandra Winstanley

Martin Keene

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.snpensions.co.uk/about-the-plan/trustee-subcommittees

COULD YOU HELP RUN THE PLAN?

Martin Coles and James Sharpe have resigned as MNDs, so we're looking for two members to join the Trustee Board. If you're a deferred member or a pensioner (but not one receiving a dependant's pension), you can find out more about the type of person we're looking for on the Plan website – and download the application form if you think it sounds like you!

www.snpensions.co.uk/could-you-help-run-the-plan



SCAN ME

MEMBERS' CORNER

MISSING MONEY

It's thought that there could be as much as £50 billion sitting in lost bank accounts, pensions, Premium Bonds, ISAs and other investments – but it's easy to check if any of this money is yours.

My Lost Account (www.mylostaccount.org.uk) is a free online service where you simply enter some personal details and any information you have about the account you're looking for, and the organisation will get back to you within three months.

If you think you may have lost touch with a former pension plan, the government provides a free tracing service to help you find it again:

www.gov.uk/find-pension-contact-details

The best way to keep track of your money is to always update banks and other providers with your new contact details if you move house.



THE PERKS OF BEING A PENSIONER

Whether you've only just retired or are a dab hand at it, we hope you're enjoying your retirement. Once you're over 60, there are some great perks that can help you save money on travel or days out, making it easier to enjoy the things you love. For example:

- Enjoy 25% off National Trust membership if you're over 60 and have been a National Trust member for three consecutive years; English Heritage also offers a concession for the over-60s.

<https://www.nationaltrust.org.uk/membership/senior-membership>

www.english-heritage.org.uk/join

- Travel light with 1/3 off rail fares using a Senior Railcard, or get a 1/3 off with a National Express Senior Coach card.

www.senior-railcard.co.uk

www.nationalexpress.com/en/offers/coachcards/senior

- Showcase and Odeon cinemas offer discounted screenings for those over 60 – often with a hot drink and a biscuit included.

www.odeon.co.uk/silvers

www.showcasecinemas.co.uk/events/silver-screenings

PENSION SCAMS: DON'T LET YOUR GUARD DOWN

You might think you'll never fall for a scam, but criminals will often use tried-and-tested psychological tricks to push your buttons and get what they want from you.

They might try to:

- **Push you for time** – using a sense of urgency and threat of fines to get you to make quick decisions.
- **Gain your trust** – by pretending to be someone you know or a well-known business; they're hoping you'll let your guard down with a familiar name.
- **Trigger your emotions** – appealing to your hope, raising your fears, catching your curiosity, or luring you in with a tempting offer.

Some home phone handsets have call-blocking technology pre-installed or you can buy a device that connects to your landline. There are also apps that filter spam and calls, or warn you about potential malware.

The Financial Conduct Authority website has loads of information on how to spot a scam.

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Find out more at:

www.fca.org.uk/consumers/pension-scams
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CONTACT US

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

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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.

