

MEMBER UPDATE

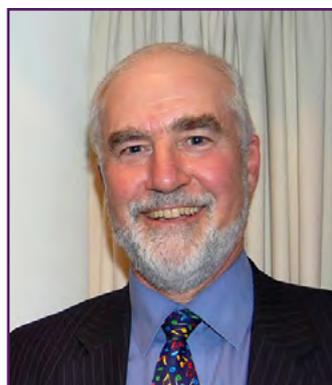
The University of Warwick Pension Scheme
(UPS Defined Benefit Section)



From your Trustee Chairman

Welcome to our latest newsletter for members in the University of Warwick Pension Scheme. This update covers areas of interest for those in the defined benefit section (closed to new entrants in 2010) who are also provided with a Summary Funding Statement for 2021.

There's a lot to report on with regard to what's happened in the last twelve months, but I would like to take this opportunity to also highlight what the Trustee will be looking at over the next year.



Mr James Hunt
Chair

WHAT'S INSIDE?

From your Trustee Chairman	1
Looking Back	2
Scheme Valuations.....	2
The Trustee Board	2
BW BWebstream	2
Environmental, Social and Governance	2
Looking Forward	3
The State Pension.....	3
GMP Equalisation	3
Scams	4

Looking back

Scheme Valuations

We wrote to members last summer with an update on the progress being made with the funding of the Scheme and provided a funding update for 2020. We have updated the figures for 2021 and we will shortly be commencing preparations for the next formal valuation as at 31 March 2022. The results of the March 2022 Scheme valuation should be available in the middle of next year.

THE TRUSTEE BOARD

The Scheme and in particular the Trustee Board plays a valuable part in supporting members and helping them prepare for retirement. The Scheme needs to be well run to ensure that we comply with all the regulatory requirements and continue to pay member benefits as they fall due. Last year we ran a selection exercise for two Member-Nominated Trustee Directors (MNDs) on the Trustee Board, one of whom was seeking re-appointment.

I am pleased to welcome Mr Ian McFarlane-Toms, a Business Ready Programme Manager with the Science Park as our newest MND. In addition, Mr Quentin Compton-Bishop was reappointed for a further five-year term, and his reappointment allows the board to benefit from his extensive trustee and business experience which is so valuable as we meet various challenges in the coming years. Our other MND is Mrs Jenny Davies who was appointed 13 March 2019. The Trustee Board is comprised of three MNDs and four university appointees as listed below:

Mr J Hunt (Chair of Trustees)

Mr Q Compton-Bishop (MND)

Mrs Jenny Davies (MND)

Prof S Jacka

Mr Ian McFarlane-Toms (MND)

Emeritus Prof S B Palmer

Mr J McMeehan Roberts

Environmental, Social and Governance (ESG)

You will have seen lots in the news about how pension schemes and employers are being encouraged to be more aware of ESG issues. UPS is no exception, and our investment managers try to obtain good investments that also offer societal benefits. Some examples below:

This is specialist housing for homeless individuals.



Another case study is an investment into the UK's first low carbon greenhouses.



Recently featured on the BBC, this is a greenhouse co-investment that utilises waste heat from sewage treatment works to help grow sustainable produce.

<https://www.youtube.com/watch?v=BCzsMyU8KD-k&feature=share>

BWebstream - Member self-service access

Members are now using the Barnett Waddingham Member self-service functionality via the BWebstream registration portal.

This service has been designed to enable members to access their personal information, view scheme documentation, prepare their own retirement projections and update their contact details.

Over 545 members have activated their account and it has proved to be a useful extra tool for members to



use, not least ensuring that they keep their contact details updated to ensure that benefits can be paid when due.

If you have not started using it yet and have any queries or have lost the introductory literature that was sent to you then please contact:

Barnett Waddingham on 0141 447 0799 (+44 141 447 0799 from overseas). Lines are open during usual office hours, Monday to Friday.

Looking forward

The State Pension

From April 2022, the State Pension increased by 3.1%. Check out the table below to see what you might expect to receive from State Pension Age with a full national insurance history in order to provide you with some idea of your prospective state pension for when you eventually retire. These indicative figures are in addition to the benefits arising from membership of the UPS Defined Benefit Section.

	2021/2022 weekly payment	2022/23 weekly payment	Weekly increase	Annual increase	Annual payment
New State Pension if you reached State Pension Age on or after 6 April 2016	£179.60	£185.15	£5.55	£288.60	£9,627.80
*Old Basic State Pension if you reached State Pension Age before 6 April 2016	£137.60	£141.85	£4.25	£221.00	£7,376.20

*Recipients of the Old Basic State Pension might qualify for extra payments depending upon their circumstances.

The State Pension

You may get slightly less than the New State Pension amount if you were paying into the UPS Defined Benefit Section when the scheme was contracted out of the Additional State Pension. This is because you paid less National Insurance into the state system at the time and the New State Pension takes account of that. This is the case if you were paying into the UPS Defined Benefit Section between April 1978 and April 1997 and reached State Pension Age on or after 6 April 2016. Don't forget that when the scheme was contracted out, you were still

building your UPS pension instead of the Additional State Pension, i.e. you do not get both!

Guidance

The amounts included in the table above should be used as a guide, as the payment you receive depends on your individual circumstances. For example, if you are single and you receive the Basic State Pension, this is how much you can expect, however if you are married you may be entitled to more.

GMP equalisation

In October 2018, the High Court ruled that trustees of UK pension schemes must ensure that Guaranteed Minimum Pensions (GMPs) are equalised for both males and females.

Since we last wrote, we can confirm that a sub-committee has been meeting periodically to discuss the best ways of addressing what are very technical issues. It is not expected that many members will be affected by this court ruling but because of the complexity of the topic and the need to review historic data going back decades it is anticipated that it could take around 18 months to complete our review. There is no need for you to do anything. The Trustee will assess your position thoroughly in respect of GMP equalisation and write to you individually if you're affected and we will keep you updated with our progress.

The increase in the normal minimum pension age

Legislation has recently been passed which will increase the normal minimum pension age (NMPA) from 55 to 57 on 6 April 2028. The NMPA, i.e., the earliest age at which you can access your benefits in normal circumstances is currently 55, (though some members in ill-health or those with prior protections in place may be able to take their benefits earlier than this).

This topic is quite complex, and our legal advisers are reviewing how this change in the law interacts with our rules and so we will in due course provide more details on the University's pensions pages as to how this might affect you and in what circumstances protections might apply. For now, members can continue to retire and claim their pension benefits from age 55 up until 5 April 2028 and some existing staff might be able to benefit from certain protections allowed for under the law.

RESOURCES

Get more information on State Pension
www.gov.uk/state-pension

Contact the Pension Service at
www.gov.uk/contact-pension-service

State Pensions Changes Breakdown
<https://www.which.co.uk/money/pensions-and-retirement/state-pension>

Contact point

We encourage you to use the Warwick Pensions website to help with general queries. If you need help then please email hr.pensions@warwick.ac.uk

Scammers can be articulate and seem financially knowledgeable, with credible websites and testimonials that can seem difficult to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pots to them.

It is then often invested in unusual and high-risk investments or simply stolen. You should note that only in very rare circumstances, such as incapacity can you access pension funds before age 55 so if a website is promising easy access be very wary! In most cases, promises of early cash are likely to be bogus and can result in serious tax consequences for you.

You should know that the government has introduced new regulations which require pension schemes and their administrators to follow certain procedures before sanctioning a transfer payment. The Trustees can refuse to make a payment if they believe that it would be unsafe to do so, i.e. have reason to believe that it could relate to a scam. At the same time this should not distract the member from carrying out their own due diligence by following the guidance shown in this update from the various agencies cited.

If you need any information about your pension, please contact us direct. Remember we can only provide information, but we can't give advice. If you need to take advice, please find a suitable independent financial adviser. The Financial Conduct Authority FCA website provides lots of helpful information.

The first link below provides you with a means of checking that the financial adviser is authorised

🔗 <https://register.fca.org.uk/s/> Only use the contact details provided on the register to help prevent picking up bogus contact details from criminals that are cloning genuine sites.

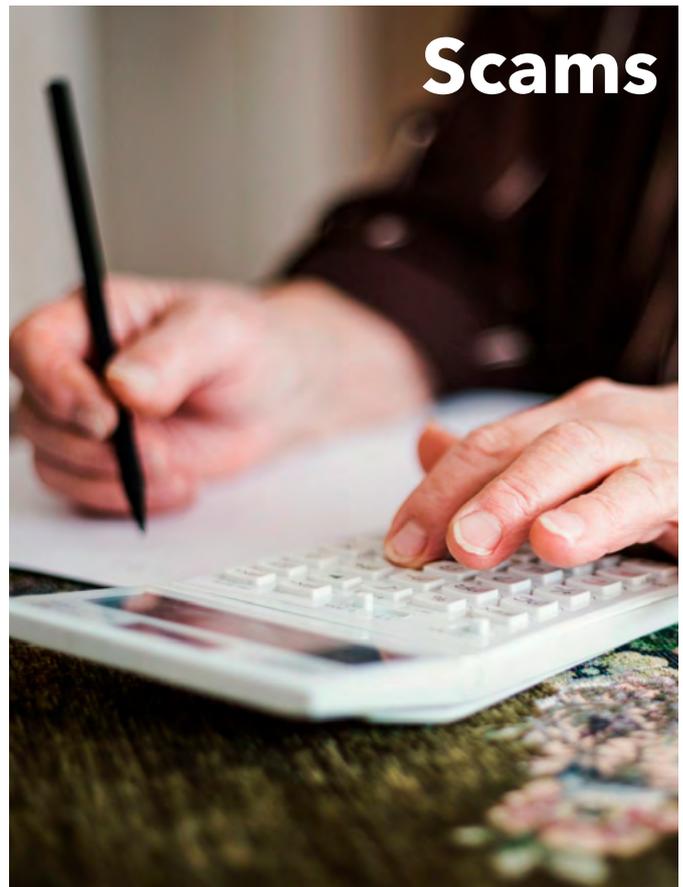
The link below sets out some simple advice as to how to avoid scams.

🔗 www.fca.org.uk/scamsmart/how-avoid-pension-scams

Scams continue to pose an increasing threat to your retirement benefits. The Pensions Regulator has joined forces with the Financial Conduct Authority (FCA) in producing a TV advert to renew the awareness campaign. If you have not yet seen it, you can watch it online. Go to YouTube and search for "ScamSmart".

If you think you may be a victim of a pension scam, contact Action Fraud immediately. Phone **0300 123 2040** or go to their website and fill in an online fraud report.

🔗 www.actionfraud.police.uk



Contact point

We encourage you to use the Warwick Pensions website to help with general queries. You will find lots of useful information including links to the Scottish Widows portal and a link for updating your expression of wishes form.

If you need help then please email hr.pensions@warwick.ac.uk