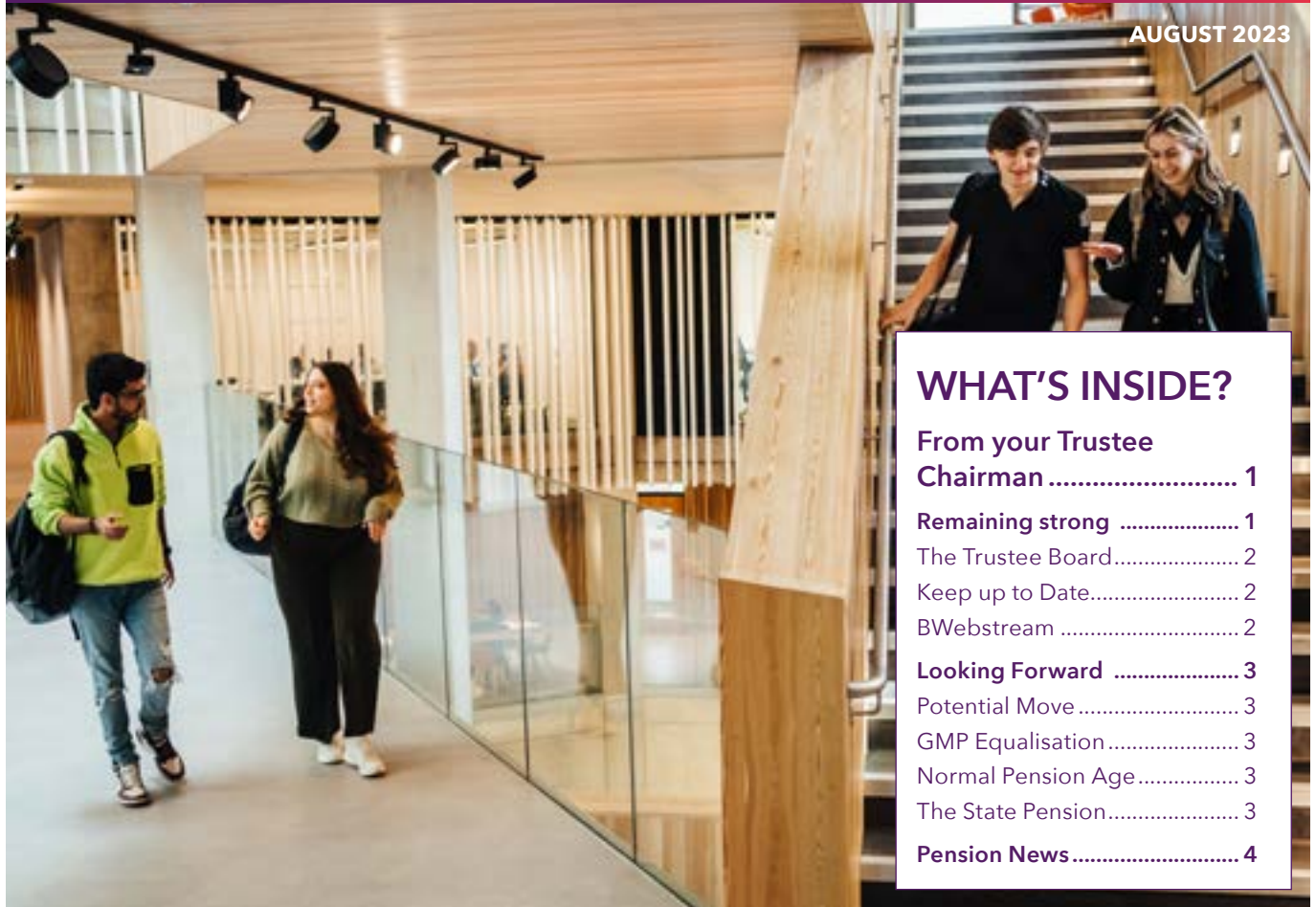


MEMBER UPDATE

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



AUGUST 2023



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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 2022 and 2023. 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

Remaining strong

Each year we provide a funding update and this year we have published the results of the March 2022 Scheme valuation which showed a strong funding level. The funding level has remained strong despite some major external shocks in the last 12-18 months. For example, during last September and October, UK pension schemes experienced significant volatility in the gilt market.

This required our Fiduciary Investment Manager to be very active to ensure that the Scheme's investments remained on track. The Trustee continues to monitor the Scheme's investment and funding strategies and recently took a decision to reduce the level of investment risk which should help the Scheme achieve its objectives with lower levels of volatility.

Looking back

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 members benefits as they fall due.

The Board are overseeing a number of work streams at present as outlined below under the "Looking Forward" section.

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

Keep up to date

Remember if your home address changes whilst in employment then please keep your employer up to date. If you leave employment, then please notify Barnett Waddingham, who will then write to you with your pension options. Remember we cannot pay your benefits if we cannot locate you!

Occasionally we ask Tracey Sharman of Crescent Research to trace members, and sometimes write to members on our behalf to help determine if a pension should continue to be paid.

If we do not receive a response to any of her enquiries then a pension is likely to be suspended, pending further information.

Contact point

We encourage you to use the Warwick Pensions website to help with general queries and you will see links for updating your expression of wishes form. If you need help, then please email hr.pensions@warwick.ac.uk



bwebstream®

BWebstream - Member self-service access

We are keen to provide you with as much support as possible and it is encouraging to see more members making use of the Barnett Waddingham Member self-service functionality via the BWebstream registration portal.

This service has been designed to enable you to access your personal information, prepare your own retirement projections and update contact details. The Barnett Waddingham team are still on hand to provide final figures at actual retirement.

Barnett Waddingham has assured us that BWebstream is *secure, simple to use and when you're logged in you'll be able to:*

- ▶ see all your personal information
- ▶ ask questions about your pension
- ▶ securely upload all your forms and documents online
- ▶ receive electronic personal statements
- ▶ ask for pension benefits quotes and/or run your own estimates
- ▶ see your monthly payslips and P60s if you're already receiving your pension

It is encouraging to see that as at 7 June 2023, 673 people have activated their account and it has proved to be a useful extra tool for members to use, not least ensuring that contact details can be kept up to date, so ensuring 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.

For any enquiries about your pension benefits more generally please contact your administration team on **0333 11 11 222 (+44 203 949 5720 from overseas)** or by email at warwickuniteam@barnett-waddingham.co.uk.

Looking forward

Potential move of the Defined Contribution Sections to a Master Trust

You may have noticed that we have written to some of your colleagues who are members of one of the Defined Contribution Sections of the Scheme (Heritage and Enterprise Sections). This is in relation to a potential move of the Defined Contribution Sections to a Master Trust arrangement. Further information explaining about what this entails is covered in the 2023 Defined Contribution Section Member Update found on the University's pension pages, <https://warwick.ac.uk/services/humanresources/internal/rewardandbenefits/corebenefits/pensions/ups/dc/> Please note that any introduction of a Master Trust is only in respect of the Defined Contribution Sections and the Trustee Board would continue to be focussed on the provision of the Defined Benefit Section, i.e. your benefits.

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.

Barnett Waddingham our administrators have raised a number of questions in relation to historic data and these questions are being addressed as part of a general re-writing of the rules. The sub-committee overseeing this work is due to meet again shortly to consider the latest developments and provide any direction needed. 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 State Pension

From April 2023, the State Pension increased by 10.1%. Check out the table below to see what you might expect to receive from your 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.

	2022/23 weekly payment	2023/24 weekly payment	Weekly increase	Annual increase	Annual payment
Full rate, New State Pension if you reached State Pension Age on or after 6 April 2016	£185.15	£203.85	£18.70	£972.40	£10,600.20
*Full rate, Old Basic State Pension if you reached State Pension Age before 6 April 2016	£141.85	£156.20	£14.35	£746.20	£8,122.40

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

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 this 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!

The increase in the normal minimum pension age

Legislation has 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 will be 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.

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.

Pension News

Scams

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 from the Pensions Regulator sets out some simple advice as to how to avoid scams.

🔗 https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx

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



A stronger nudge to Pension Wise

In addition to support from the administration services, there is also independent guidance on hand, the Governments' free Pension Wise service.

To find out more about Pension Wise, go to

🔗 www.moneyhelper.org.uk and choose Pensions & retirement, then the appropriate part of the website relating to Pension Wise.

Important

Free guidance from Pension Wise is not a substitute for financial advice. Individuals are responsible for the cost of engagement.

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