

# MEMBER UPDATE

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



AUGUST 2023



## From your Trustee Chairman

Welcome to our latest newsletter for members in the University of Warwick Pension Scheme (UPS).

There's a lot to report on regarding what's happened in the last twelve months, but I would also like to take this opportunity to 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
Trustee Board .....	2
Looking Forward .....	2
Mastering today's Defined Contribution landscape .....	2
Pension age increase .....	2
What is a Master trust .....	2
The State Pension .....	3
Keep up to date .....	3
State Pension.....	3
Pension News .....	4

# 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 Trustee Board is comprised of three Member Nominated Directors (MND)s 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**

## Mastering today's Defined Contribution (DC) landscape

Your pension arrangement is what's often referred to as a Defined Contribution arrangement because you and your employer's contributions are set based on a simple formula. For example, Heritage Members (i.e. staff) can choose to pay either 3%, 4% or 5% of salary and the employer pays twice the member rate. Therefore, the contributions are "defined" as set out above.

These contributions are invested on your behalf by the Trustee who take professional advice. As such we have our "Own Trust", and the Trustee Directors fulfil a number of functions to ensure that your benefits are properly managed, and the various legal requirements are met.

The Trustee Directors perform these duties on a voluntary basis and the demands on their time from increasing regulations has drawn them and the University to consider alternative ways of providing the same type of pension arrangement. One way of doing this is to consider switching the DC assets to a Master Trust. An increasing number of DC schemes are switching to Master Trusts.

## What is a Master Trust?

A Master Trust is a pension scheme, very similar in design to our Own Trust but a key distinguishing feature is that it is responsible for the administration and investment strategy for the membership which comes from many non-associated employers. Therefore, a Master Trust is a multi-employer pension scheme that caters for many different non-associated employers, each with their own separate contribution structures and with members continuing to have their own individual investment pots. One would expect the Master Trust Board to include many professional trustees and experts in their field, not linked to a specific employer, who have more time available to meet the growing number of regulatory demands on trustees. In effect they can benefit from scale and can call on more resources than our Own Trust arrangement.

As mentioned, each employer can set their own contribution rates and oversee performance levels. In effect the Master Trust acts as an "umbrella arrangement" with each employer able to interact with the Master Trust. As a highly regulated body, a Master Trust has to ensure that the highest standards are maintained, to the benefit of every employer taking part and every member. The authorisation process to become a Master Trust is managed by the Pensions Regulator.

The Trustee and University have been considering using a Master Trust for a while and more recently formed a Working Group to oversee the various required workstreams. As a result much due diligence work has been undertaken and this will continue as we focus on member needs. The trade unions have also been made aware of this project and been informed that in the event of matters progressing, a Governance and Oversight Committee will be formed to help review the performance of any new Master Trust. If this happens then the unions will be able to join this committee.

We anticipate that in the coming months, affected staff will be consulted on any proposal and members more generally will be updated on any developments.

# Looking forward

## 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 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.



# 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 to help with your financial planning. These indicative figures are in addition to the benefits arising from your membership of the UPS Defined Contribution Section (Heritage and Enterprise Defined Contribution Sections), with Scottish Widows.

	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.

## 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 might expect, however if you are married you may be entitled to more.

## 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](mailto:hr.pensions@warwick.ac.uk)



More information at:  
[www.gov.uk/state-pension](http://www.gov.uk/state-pension)



## 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 your pension provider Scottish Widows. They will write to you on leaving employment. 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.

# 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](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](http://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](http://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](http://www.gov.uk/state-pension)

Contact the Pension Service at  
[www.gov.uk/contact-pension-service](http://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](mailto:hr.pensions@warwick.ac.uk)